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# West Europe Report

No. 1827



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## DEFENSE POLICY STRESSES NUCLEAR DETERRENT, NO WAR

Paris LE MONDE in French 14 Jul 81 p 2

[Article by Jean Paucot: "The Socialists and the Rejection of War"]

[Text] For more than 10 years the development of tactical nuclear weapons has been hindering discussions on French defense. In the coming months it will be in the forefront of day-to-day events along with the prospect of the development of the super Pluto and the planned discussions concerning the neutron bomb.

Some people doggedly use their energy to show that the continuation between the deployment of strategic weapons (the Albion missiles, the war-device carrying nuclear submarines, the strategic air forces) and the production of tactical weapons is something obvious. At a time when an urge to create uneasiness is assuming electorally the guise of a denunciation against dropping security requirements, need it be pointed out that the matter is not all that simple?

There does not exist today a consensus among the parties of the former majority with respect to nuclear tactics, whereas they have, for the past 20 years, been carrying out the same defense policy.

For the UDF's White Paper, published in May 1980, tactical nuclear arming is identified with the action of the classic resources--land, sea or air--"in a battle concept." In fact, "the organization of defense in Europe must be conceived to wage a battle with the support of numerous nuclear tactical weapons."

Europe is thus "the sole place for a battle to be fought." The doctrine therefore is clear: for the UDF it is a matter of gathering up the resources for a battle which postpones resorting to nuclear strategy.

## Dream or Nightmare

One month later the White Paper of the enemy, RPR, was taking the opposite stand concerning this statement: "France would do well to speed up in the rise to extremes on the nuclear scale, so as not to prolong classic operations on its territory or that of its allies. The alternatives to such a strategy all stem from classic military dissuasion based on the possibility of putting the enemy's forces at bay."

But there is a difference. Speeding up in the rise to nuclear extremes is to take the opposite stand in a battle being waged with tactical nuclear weapons. In these circumstances the RPR is doing no more than taking up the White paper on national defense published in 1972 under the auspices of the minister of defense. What does the White Paper say? Nuclear tactics have, on our borders, a twofold function: on the one hand they mean, for the aggressor, France's will to defend itself immediately afterwards through nuclear strategy. On the other hand, they give the French government the time needed for the analysis of the situation for making a decision on nuclear strategy.

Nothing whatever in common between this line codifying General de Gaulle's decisions in the sixties and the dream (or the nightmare) of "numerous" tactical weapons bent on "battle" and "stopping." (UDF).

Therefore the time has not yet come for the ukases requiring, in the name of sacrosanct continuity, an incessantly increased production of tactical nuclear materials. Why should an answer be given to the question: nuclear tactics, what for?

The consensus among French political families on the action of dissuasion covers up a basic divergence. The term, "dissuasion," which in itself is in no way linked with nuclear matters, can mean two approaches.

- Either one dissuades the enemy from attacking by demonstrating to him that one has assembled sufficient combat means to make him lose the battle, a reasoning little different from that of the generals of the prenuclear area, except that the means have evolved.
- Or one dissuades the enemy by demonstrating to him that there is no point to the aggression because the stakes amount to less than the risks involved, thanks to the destructive capacity of the strategic counterforces.

French nuclear dissuasion can do no more than immediately cause the bids on nuclear strategy to rise. It is the only way to inflict unacceptable damage upon the enemy, i.e., quite simply, to make one's self heard amid the din of the weapons. France's voice will not be heard in the noise of multiple battle instruments capable of satisfying this engineer or that officer, but it will in the assertion of a coherent strategic dissuasion, the only thinkable level for a medium power.

#### No All or Nothing

French defense strategy refuses war, hence, even more so, battle, because France does not have, lest it be in dreams, the means of winning the latter by itself. The deployment of tactical combat weapons, typically antforce (such as the anti-armoral neutron bomb, for example) assumes the automatic commitment of a French battle corps in a battle royal. A fundamental alteration which would involve a total reversal of our defense plans.

For France it is out of the question to be unbending in haughty solitude. But coherent participation in the defense of the alliance is first of all the logic of defending its own territory. For France, an average power in the atomic era, defending itself today means avoiding a conflict which, to any way of thinking, would sweep it out of the so-called civilized world.

The choice of a strategic position is not a matter of all or nothing. It is essential to organize the other side of dissuasion against minor actions against our territory.

The response to threats can be diversified: mobile defensive units of locally trained fighters are a possible way.

But the possibility of a confrontation in which the thousands of tactical nuclear heads deposited in Europe would be used by both sides is a nightmarish vision. Europe would, no matter how one looks at it, be devastated in terms of its urban, social, industrial and cultural fabric, the most closely knit in the world. War, properly speaking, does not exist.

War, that is the confrontation of armed forces, no matter how great the talent of the "maneuver" and the genius of the leaders might be, no matter what would be the result of gigantic removals of charred cadavers and carcasses, would without fail mean the disappearance of Europe in general and France in particular.

Already in 1936 the Popular Front had inherited from the right armament that was less insufficient than it was unsuitable.

Those who accepted the sixth strategic submarine only through fear of a parliamentary crisis must not misguide the efforts of a socialist France in the clatter of unsound discussions and the reasonings of fake mean of righteousness or do-gooders. "The national strategy of nuclear dissuasion is the only one that can actually be the kind that will ward off the dangers of conflicts," declared Mr Francois Mitterrand.

France has better things to do than to deploy tactical missiles that are super-abundant in relation to the strict testing and token role that our defense policy ascribes to them. The problem for the future, and it is an essential one, is that of the credibility of its strategic forces. This credibility does not depend on the number of our weapons, but on our response to the possible technical progress which the adversary might make. Thus it is the case of strategic force that must be studied.

9498

CSO: 3100/935

## DROP IN CONSUMPTION OF PETROLEUM PRODUCTS

Vienna WIENER ZEITUNG in German 1 Sep 81 p 7

[Article: 714 Percent Fewer Petroleum Products: Lower Consumption than Last Year"]

[Text] Consumption of petroleum products decreased in the first half of this year by 7.4 percent to 5.1 million tons, compared to 1980. A considerable factor in the second quarter was a reduction of 200,000 tons of heavy heating oil purchases by electrical utilities, while increased storage of heating oil caused a rise in demand by 10 percent. The total reduced consumption resulted in a cost reduction of 1.8 billion schillings. Minister of Trade, Dr. Staribacher, saw this development yesterday in the light of the soft economy, which also explains the 4.7 percent reduction in the consumption of diesel fuel. As far as the reduction of gasoline consumption (3.1 percent, with 4.6 percent of regular, 2.3 percent of super) was concerned, however, the minister felt that this was due to a conserving mentality of the car owner; fewer kilometers are traveled and the attitude that "nothing is too good for the tank" has also changed. The yearlong trend of reduced domestic production of petroleum was continued in the first half of this year. Compared with the period of January-June 1980 the Austrian production facilities produced 18.9 percent less volume (659,600 tons). Imports of crude oil declined by 5 percent, those of refined products by 22.5 percent. Due to the decline of crude oil imports the number of delivering countries also declined from 11 to 8. The lion's share was taken by Saudi Arabia with 40 percent, the USSR contributed 25.6 percent.

Prices developed in contrast to the decline of crude oil imports. Because of the higher dollar exchange the financial costs increased from 12.6 billion schillings in the first half of 1980 to 16.9 billion schillings in 1981, translating into an increase of 34 percent. Costs of refined product imports rose from 4.9 to 5 billion schillings.

## Highly Efficient Energy Use

The Austrian proportion of world energy consumption amounts to 0.42 percent; the Alpine republic stands together with Switzerland, Finland, and Norway in 13th place among the Western industrialized nations. Comparing energy consumption to the actual GNP, Austria ranks sixth as far as conservation and efficiency of energy application is concerned, behind Switzerland, Denmark, France, FRG, and Japan.

From 1974 to 1979 the consumption of petroleum units per 1,000 dollars of actual GNP was reduced by 3.5 percent. Since the Austrian GNP increased in the same period by 15.1 percent, a loosening of the ties between energy consumption and economic growth became apparent. This was stated yesterday by Counselor Dr. Reim of the Ministry of Trade.

The interministerial committee for energy conservation problems has now submitted a report. According to it, energy consumption has declined by 18 percent since 1976, it is estimated that a total reduction of 20 percent can be achieved. The committee estimated that 1.17 billion schillings were necessary for an energy-efficient retrofitting of 347 federal projects that were surveyed by the end of the 1979/80 heating period. One hundred fifty to 190 million schillings annually have been expended for retrofittings carried out to date.

9240

CSO: 3103/430

## GASOLINE PRICES TEMPORARILY DECONTROLLED

Zurich NEUE ZUERCHER ZEITUNG in German 18 Sep 81 p13

[Text] On Wednesday, the Austrian government decontrolled gasoline prices at the pump on a trial basis. This move was based on an agreement between minister of commerce Staribacher, the provincial governors and the oil industry as a consequence of regional shortages at the start of the main travel season due to deficient domestic gasoline prices. Because of the resistance of the employees' representatives on the pricing commission, the commerce minister was not able to resolve the problem by granting the oil industry the price increases it was demanding. The provincial governors, for their part, declined to accept the commerce minister's offer to transfer the responsibility for price control to the land governments. The present decontrol scheme is to run until 31 January 1982. The chambers of labor and the labor unions already are on the verge of asking for a return to price controls; the Laender intend to do so, if liberalization "works poorly."

The oil companies reacted to the liberalization by raising prices at the pump as expected. The price of regular increased by 2.4 Rappen, which was more than the increase for high test. The oil companies thereby meant to narrow the gap in price between the two, which they consider excessive. Nonetheless, no uniform policy was followed. Only four subsidiaries of international oil companies, albeit with about half the share of the market, raised their prices immediately. Three others as well as the distribution organization (Elan, Martha and Aral) of the state-owned OeMV followed suit later on Wednesday. The independent discount filling stations, it is said, will raise their prices still later while holding to a lower price level than the big oil companies. No attempt was made to institute regional differences in price. The distribution networks of the different brands raised their prices uniformly throughout the country.

The Austrian subsidiaries of Shell and Mobiloil raised their prices most-- by 8.5 and 10.9 Rappen per liter respectively. The subsidiaries of other international oil companies raised theirs by 7.3 and 9.7 Rappen and the state-owned OeMV outlets held their increase to 6 and 8.5 Rappen-- most likely bowing to political pressure to act as a price brake on the multinationals. According to preliminary calculations, the uniform maximum price for high test gasoline throughout most of the country stands at 1.40 Swiss francs per

liter; in the Tyrol, the price of high test was lowest, at 1.26 Swiss francs. At Autobahn gas stations, the price ranged from 1.32 to 1.40 Swiss francs. But not all companies were able to set prices for their products on their own. Insofar as they supplied or merely collaborated with independents, they could only make price recommendations. This means that there will likely be local differences in price to which the independent gas stations with a 10 to 12 percent share of the Austrian market will also attend. The prices quoted apply to full-service gas stations. Pricing analyses for regular gasoline are not yet available. Based on the official price of 1.23 Swiss francs, they have probably risen to 1.32 to 1.34 Swiss francs.

The price of Diesel, which was decontrolled some time ago, is said to be unchanged. As a rule, full-service stations charge about 1.25 Swiss francs per liter for Diesel fuel at present. Unchanged as well are the prices for propane and for light heating oil which are the only fuels still under state control for "social reasons."

Liberalization of gasoline prices at the pump does not mean that pricing at all levels of production and marketing is being liberalized. The selling price at the refinery for all petroleum products is still subject to control by the parity commission on wages and prices. On Thursday, the commission will be looking into an oil industry request for liberalization. If the request is approved (which is not thought likely at the moment) the state-owned OeMV could increase refinery prices and thereby deprive the commercial firms of a part of the additional earnings occasioned by the price adjustment (less value-added tax).

To be sure, the new prices only marginally reduce the cost shortfalls incurred by the oil companies. Shell Austria have stated that an increase of 16 Rappen per liter would have been justified in view of the cost price of imported gasoline. The oil firms also stress the point that while Austrian fuel prices at the pump are now higher than those in the FRG and Switzerland their net earnings still are lower than those of firms in the FRG and about equal to those of Swiss firms due to the extremely high tax burdens imposed by Austria.

9478  
CSO: 3103/455

## ROTTERDAM OIL REFINERIES CUT BACK PRODUCTION

The Hague ANP NEWS BULLETIN in English 12 Sep 81 pp 2-4

[Text] Rotterdam, 11 Sep--A sharp decline in world demand for oil products is forcing Rotterdam's oil refineries, some of the world's busiest, to make radical changes in their patterns of production.

An announcement this week by the Royal Dutch Shell group, the world's second largest oil company, that it is examining ways of severely cutting back production in Rotterdam is just the latest indication that the oil industry is struggling to adapt to a world energy situation very different from what it had planned for.

Shell's Pernis refinery near Rotterdam's huge Europort is the largest in the Netherlands, capable of processing 25.5 million tonnes of crude oil a year (500,000 bpd), less than 50% of full capacity.

Shell's experience is typical of most refiners throughout the world, who made their plans for future production when oil was cheap and demand seemed set to continue rising steadily for years to come.

## Change in Demand

The 1973 oil crisis changed the picture dramatically. The price of crude oil rocketed and continued its meteoric rise throughout the decade, while consumers in the industrialised world switched increasingly to alternative energy sources such as coal and gas.

Rotterdam port authority figures give a clear illustration of how demand has changed.

The quantity of crude handled in Rotterdam, the world's largest and busiest port, fell 17% in 1980 to 117 million tonnes from 141 million in 1979. About half of this was imported for refining here and the rest re-exported.

The trend accelerated this year, with the amount of crude handled falling 27% in the first six months to 47 million tonnes from 65 million in the first half of 1980, while coal traffic rose by 17%.

The authority attributes the fall to the high oil price, high stocks, world-wide recession and the success of measures to save energy. Add to this the current oil

glut and the fact that many oil companies are tied by contract to buying high-priced oil from the more militant members of the organisation of petroleum exporting countries (OPEC) and the picture for the industry is a gloomy one.

#### Below Capacity

Rotterdam's refineries find themselves saddled with vast refining capacity far in excess of present demand and huge stocks of oil and products for which they cannot find buyers.

Virtually all the refineries have been operating at greatly reduced capacity for some time.

British Petroleum (BP) runs the second largest refinery in the Netherlands, which is operating at only 50 to 60 per cent of its annual capacity of 23 million tonnes of crude (460,000 bpd).

The company announced earlier this year it would cut its overall European capacity by 25 per cent, mainly in France, West Germany and Britain. It has already closed its Isle of Grain plant in Kent in southern England, which had a capacity of 10.5 million tonnes per year (210,000 bpd).

Other Rotterdam operators include Chevron, owned by Standard Oil Company of California, which is operating at 70 per cent of its 14 million tonnes annual capacity (280,000 bpd) and Esso, a subsidiary of the giant Exxon corporation, which operates at 75 per cent of its 8.5 million tonnes (170,000 bpd) capacity.

The pattern is repeated elsewhere, with West German refineries facing major losses and Japan's running at 30 to 40 per cent below capacity.

#### Light Products

Japanese refiners resorted last month to refusing to take delivery of large quantities of Iranian crude in an effort to force Iran to cut its official price of 37 dollars a barrel, five dollars higher than the cheapest Saudi Arabian crude.

An added problem is the changing pattern of oil product demand.

Most refineries are still substantially geared towards producing heavier products like fuel oil and industrial heating oil, but it is precisely in these sectors that coal and gas have proved economical alternatives.

Interest has therefore switched to the lighter distillates such as petrol, diesel and aviation fuel for which substitutes are not readily available. This is where the refiners hope to stage their comeback.

Shell is studying the possibility of upgrading Pernis to produce more of the lighter distillates. A report is due in mid-October to coincide with its study on cutting overall capacity at the plant.

BP is investing one billion guilders (370 million dollars) in a 'catalytic cracker' at its Rotterdam refinery. This will make it possible to crack molecules in heavy distillates like fuel oil to form lighter products such as petrol.

## Ideal Location

Some oil industry analysts are sceptical whether the scope for lighter oil products is sufficient to justify such a large scale investment but BP is optimistic.

'We would not invest so much money in a plant if we thought we would have to close it down in the foreseeable future,' a spokesman said.

Other companies such as Total and Chevron are following suit while Mobil, whose Amsterdam refinery operates at around 60 per cent capacity due partly to a recent fire, has no concrete plans to upgrade production but accepts that it may be necessary in future.

Most Rotterdam refiners believe they have an advantage over their European rivals in their location at a deep-water port and in the fact that they serve an international market rather than a purely domestic one.

Two thirds of the crude oil imported into the Netherlands every year is re-exported in the form of oil products. The complex network of rivers and canals which link Dutch ports with Europe's major industrial centres is ideally suited to transporting these.

## At the Source

The refiners also point out that the flexibility of Rotterdam plants, such as their ability to meet the different specifications of various countries concerning the chemical make-up of oil products, is an additional advantage.

The fact that no plant closures have been threatened in the Netherlands as they have in France, West Germany and Britain would seem to justify their confidence in their ability to ride out the current depression in the products market.

But some oil analysts believe the real threat to Dutch refineries lies in the growing tendency of oil exporting countries to refine crude oil at source.

The petroleum economist magazine said recently that OPEC increased its refining capacity by 17 per cent in 1980 and estimated it was now capable of refining about 6.3 million bpd, almost a third of total OPEC output of 20 million bpd.

If analysts are correct in predicting that refining at source will grow to represent a major threat to oil companies in the industrialised world, the current depression in the products market may prove to be much more than the transitory phenomenon Rotterdam's refiners hope it to be.

CSO: 3120/1

## EXPORT EARNINGS INCREASE REPORTED

Nicosia THE CYPRUS WEEKLY in English 11-17 Sep 81 p 8

[Text]

Despite the continuing deficit in the public sector and other problems facing the Cyprus economy, the performance of exports so far this year has been quite impressive.

A Central Bank report says exports of domestically produced goods grew by 24.5% during the first quarter of 1981 as against a mere 6.6% in the same period last year.

Both exports of agricultural and manufactured products expanded — at the high rates of 38.7% and 19% respectively.

**Cement**

An early potato crop, together with marked increases in export earnings from citrus and other fresh vegetables, contributed to the high growth rate of agricultural exports. Potato exports are expected to yield £15.5 m. this year as against £12.7 m. in 1980, the Bank says.

Earnings from exports of manufactured goods reflected primarily increased exports of clothing and footwear, paper products, cigarettes chemicals and toile-

tries. But exports of cement dropped sharply, owing to fewer quantities shipped to Syria, which has been the island's main market for some years.

Exports of asbestos reached £1.1m (a 35% increase) following a rise in both prices and quantity. Exports of copper concentrates ceased completely as production of cupriferous ores was discontinued in 1980.

**Agriculture**

A later report by the government says agricultural exports during the January-May period reached £26.6 m., up 68.4% over the five-month period of last year. Total domestic exports rose by 30.5% while imports went up by only 7.5%. The result was that the deficit in the trade transactions during the first five months of this year was narrowed to £93.7m. from £97.7 m. during the same period of 1980.

The Cyprus foreign exchange reserves in May stood at £141.9 m. as against £119.7m. at the end of May 1980. But they are still down from their peak £156 m. in the summer of 1979.

## CYPRUS AIRWAYS LOSSES REPORTED

Nicosia THE CYPRUS WEEKLY in English 11-17 Sep 81 pp 1-2

[Text]

"We took over a company facing serious financial, organisational and administrative difficulties, and are doing our best to put it on its feet again," Stavros Galatariotis, the Limassol tycoon who took over recently as Chairman of the government-appointed Board of Management of Cyprus Airways told the Cyprus Weekly.

In an exclusive interview, Galatariotis said the company had lost £200,000 in the last few weeks alone, by laying on extra flights to alleviate the hardship of would-be passengers stranded at Larnaca Airport as a result of overbookings and no-shows.

### NEW JETS

"Cyprus Airways was almost alone in laying on these extra flights, and in bearing the heavy financial burden caused by them returning almost empty," he said.

Galatariotis revealed that as part of the efforts of the company to make Cyprus Airways more efficient, the company is negotiating to purchase new-generation wide-bodied jetliners. These aircraft would carry twice the number of passengers at

greater comfort, without using any more fuel than the aircraft being used by it now, he said.

Commenting on last week's Cyprus Weekly story about the demands of British tour operators for charter flights to Cyprus, Galatariotis said the final decision "always rests with the government." He himself, he added, was not opposed to the granting of charter licenses, provided these were controlled to safeguard the interests of the national carrier and the local tourist industry.

### CHARTERS

He said he would hold a press conference before the end of the month "which will be like a public inquiry" on charter flights and other issues.

Galatariotis pointed out that charter flights are allowed to fly to Cyprus from Germany, the Scandinavian countries and elsewhere, except the United Kingdom, which provides a third of the total tourist inflow to the island.

"The repercussions of granting charter rights to this section of the market must be very carefully considered, since this may lead to the vir-

tual control or monopoly of the Cyprus tourist industry by powerful foreign interests with unforeseen consequences on the tourist industry, the healthiest and most productive sector of the whole economy of Cyprus," he stressed. "This is a very serious risk."

### COMPUTER

In view of current difficulties Cyprus Airways needs a breathing space to stand on its feet again and until it acquires new wide bodied jets. We are not afraid of foreign competition though we must always safeguard the position of the national carrier whose services to the island's economy are invaluable," he added.

The Cyprus Airways boss said the main cause of the congestion experienced at Larnaca Airport recently was the booking of seats in fictitious names, and the resulting "no-shows", carried out by some travel agents and individuals. He expected this anomaly will be eliminated by next April, when the company brings into operation an electronic computer.

*(For a more detailed explanation of the Cyprus Airways stand on this issue please see the Cyprus Airways announcement on page 24).*

### SPACE

Airline sources told the Cyprus Weekly another reason for the undesirable congestion at Larnaca was the fact that though Cyprus Airways handles two thirds of all traffic it has only been allocated seven out of the 13 passenger reception counters to process as many as 60,000 passengers a month during the summer peak period. The other six counters have been allocated to other airlines, some of which only fly to Cyprus once a week.

Galatioti suggested that the situation would improve if Cyprus Airways, as the national carrier, was given more working space at the airport, as well as the right as to act as the sole handling agent for traffic and engineering services at the airport. "This is a practice widely used in many other countries," he said.

CSO: 4600/11

## URGENT MOVES TO EASE NICOSIA WATER PROBLEM

Nicosia THE CYPRUS WEEKLY in English 11-17 Sep 81 p 28

[Text]

The government yesterday took urgent measures to improve the water supply situation in Nicosia where serious shortages have been causing huge problems to residents.

Some households, especially in high lying areas of the capital and suburbs, have been without running water for three or four days, and even a week on some occasions.

**Boreholes**

An officials statement said the situation had worsened in recent days because of damage to the main pumping station at Syrianochori (near Morphou) and to aqueducts.

The Council of Ministers discussed the matter at its meeting yesterday and gave instructions that steps should be taken immediately to link other water boreholes, belonging to the government

or individuals, with the main water system supplying the capital.

In this way it is expected that from the coming week, the water supply to Nicosia will be reinforced with an additional 2,500 cubic metres of water daily, the announcement said.

At the same time, efforts are continuing through the UN to repair the damage at the Syrianochori pumping station.

The government moves are expected to ease the dramatic situation facing Nicosia especially if cool weather settles in soon, or even better, if we get some rain in the next few days.

The weather has now become cloudy over the island, with the maximum temperatures having dropped to around 31 C from the 38 C a week ago, but there is still no sign of rain.

## BUILDING BOOM SLACKENS

Nicosia THE CYPRUS WEEKLY in English 11-17 Sep 81 p 8

[Text]

The construction industry showed signs of slackening last year for the first time since 1975, according to the official 'Construction and Housing Report 1980', just issued.

The number of building permits dropped to 7,122 from 7,316 in 1979, while imports of iron reinforcing rods declined by about 50% in quantity.

But in terms of value, the building permits issued during the year registered an increase of nearly 25% reflecting the 'fast rising' costs in the building sector.

The report says labour costs jumped 25.7% in one year while the prices of construction materials rose by 15.7%. The most important increases were observed in the prices of bricks (25%), cement (23%), wood (20%), paints and sanitary fittings.

The report speaks of certain structural changes in the construction industry during the year. There was a

shift from homes to non-residential buildings. And within the category of non-residential buildings, work on hotels and other tourist facilities more than doubled and reached the level of £17.3 m. as againsts £7.1 m. the previous year.

Construction is now established as the third largest sector of the economy. Its gross output last year rose to £184 m. as against £151.2 m. in 1978.

The share of construction undertaken by the private sector declined marginally from 70.6% of total output to 70.3%, the government's share was reduced from 24.1% to 22.8% while that of local and government authorities advanced from 5.3% to 6.9%.

Employment in the construction industry declined from 18,668 people in 1979 to 18,048 and accounted for 10.3% of the gainfully employed population.

The number of new dwellings completed was 9,463 compared to 9,664 the

previous year.

This suggests a turning point in the effective demand for housing and in future a further shift of construction activity from housing to other types of construction might be expected, the report says.

Most of the dwellings completed were in urban areas (5,642). The average number of rooms per new dwelling was found to be 5.1 for houses financed by the private sector and 4.3 for those financed by the public sector. In the case of dwellings financed by the government, nearly all were provided with solar heating, while of those built by private individuals, only 67% had solar heating.

The report shows that last year Cyprus imported building materials worth £30.7 m. (mainly iron and steel, wood, cork manufactures, locksmiths' wares and ceramics); but at the same it exported construction materials (mainly cement, carpentry, stone etc) valued at £17.6 m.

## BRIEFS

MARKETING INSTITUTE--The programme of study at the Cyprus Institute of Marketing is designed to bring to the Cypriot businessman and business executives the all-round knowledge they need to succeed in today's complex business world, the Institute's Director-General Mr Theo Hadjiyannis said in Nicosia this week. Speaking at a press conference, he said the CIM equips students with modern techniques to deal with all of the diverse problems executives face when handling everyday business decisions. "We are very demanding in terms of study and academic performance. All courses mean hard work and continuous effort," he said. CIM graduates are now employed in high posts in business and industrial concerns in Cyprus and overseas, and many others are in European and American universities for post-graduate studies. CIM offers, in consultation with the British Institute of Marketing, the Certificate and Diploma in Marketing. It specialises in marketing and management studies and has gained its reputation as a specialist institute. The CIM is now entering its fifth year of operation. [Text] [Nicosia THE CYPRUS WEEKLY in English 11-17 Sep 81 p 8]

CSO: 4600/10

## LAMBSDORFF ON BUDGET, ECONOMIC TRENDS, COALITION

Hamburg DER SPIEGEL in German 14 Sep 81 pp 22-26

[Interview with Otto Graf Lambsdorff, economics minister and member of FDP Executive Board, in Bonn, by SPIEGEL editors Paul Lersch and Heiko Martens: "That Can Be Done Only Once"; date of interview not given]

[Text] SPIEGEL: The coalition partners have pulled themselves together again for the time being. Nevertheless, was this the beginning of the end?

Lambsdorff: No. The harshness of the confrontation during the negotiations merely shows that the overall economic conditions under which we have to make political decisions today have become more constricted, and thus more difficult. Moreover, the different starting points of the coalition partners have become much more apparent. But they've always been there.

SPIEGEL: That's just it: The different points of departure have become insurmountable.

Lambsdorff: First of all, they have been surmounted this time. And second, I really don't see why the beginning of the end is being conjured up just when a compromise has been reached on difficult policy issues. Why isn't it the beginning of the beginning instead?

SPIEGEL: Hardly anyone still believes this coalition can find the strength for a new start after the serious confrontations.

Lambsdorff: It was the most serious — at least one of the most serious confrontations over policy issues that the coalition has had to weather in the 12 years that it's been working together. But I don't think the conclusion that it's near the end is convincing. I don't want to rule anything out; indeed, the chancellor and the SPD chairman have made it clear that there can be no guarantees lasting until 1984. But the chairman of the Free Democrats has said this: We intend to stay together up to 1984. And I say that we have a mandate from the voters to solve problems within the framework of this coalition.

SPIEGEL: Your chairman has called for a policy shift: less government, more market — above all, less of a welfare state. Goals like these necessarily lead out away from the coalition. Or do you perhaps think the SPD can follow you along this path?

Lambsdorff: I want to stop using the word "shift" in this context. The word has made people sensitive. Why do we have to make them hypersensitive? But it is quite true that a switch has been thrown, that a substantial move has been made in what I'm convinced is the right direction. Here I'm quoting the Social Democratic finance minister, who put it in precisely those terms. It's a path that must and will speed up the necessary structural adjustment by the German economy to the changes in international economic conditions — together with the Social Democrats, that is.

SPIEGEL: Let's just disregard the word "shift." The FDP chairman has just re-phrased what he means by it: "More individual responsibility," "increased support for private initiative." Now that a program costing billions has been passed as an incentive to investment, isn't that enough?

Lambsdorff: No additional demands are being made at the moment. The depreciation program you're talking about was introduced into the negotiations by the Social Democrats. And the chancellor had this to say to his parliamentary group: The decisions wouldn't have looked much different if they had been made without a coalition partner. If I may say so, that speaks for his insight into economic exigencies and agrees with my view. I hope, by the way, that the economy will develop in such a way that additional measures will not be necessary.

SPIEGEL: The incongruity of viewpoints has been recorded right in the minutes of the cabinet meeting: The Social Democrats want to combat unemployment with an employment program; the Free Democrats want to cut deeper into the social welfare net, to save more money. How is anyone supposed to keep on believing in a new beginning?

Lambsdorff: What we've just approved is to a very great extent an incentive for needed investments in the economy. And these decisions were necessary because we do need more jobs. What must happen in a new situation will have to be discussed then.

SPIEGEL: But people know what the FDP thinks of an employment program: nothing.

Lambsdorff: The minutes you referred to do not necessarily mean that these proposals have to be brought up again. I noted with some displeasure that we had scarcely left the conference room when the employment program had already been reintroduced into the political discussion. But I'd like to say this on that point: If people consider an employment program faulty and wrong when the average unemployment figure runs to 1.2 or 1.3 million per year, they will probably also think it's wrong for 1.5 million unemployed.

SPIEGEL: But the political pressure will become greater and greater as unemployment figures rise.

Lambsdorff: That's right, but economic decisions have to be sensible in spite of political pressure.

SPIEGEL: The SPD is working right now on an employment program that runs to a double-digit figure in the billions.

Lambsdorff: I'm not familiar with such a program. And has anyone told you how he intends to finance it?

SPIEGEL: One might imagine that the debt would be increased.

Lambsdorff: I see no willingness in the FDP parliamentary group -- and none at all so far in the coalition -- to go beyond the present net credit line of DM 26.5 billion unless tax receipts decline because of the economy. And I'm not at all so sure that it has to happen that way. Indeed, economic development doesn't look all that bad. The outlook is unpleasant only in an unfortunately very important and politically troublesome area, and that's the labor market.

SPIEGEL: So no increase in the debt limit. One could imagine the FDP yielding to the Social Democrats on an employment program -- on condition that the unemployed help finance such a program themselves by means of reduced unemployment benefits. You've been demanding for ages that they be lowered.

Lambsdorff: If you're talking about double-digit sums in the billions, they can't be paid just from the Federal Labor Institute's budget. Then you could close the entire institute. I don't know where such sums would even come from.

SPIEGEL: So if there's an employment program at all, in any event it's to be financed only by way of further budget cuts?

Lambsdorff: Yes. That's right.

SPIEGEL: Aren't you worried about the suspicion already being voiced by Social Democrats and trade unions -- that the "Economics Count" (Wehner's term) sides with Mrs Thatcher and simply accepts unemployment as a remedy for the state of the economy?

Lambsdorff: Indeed, it's quite an honor to be mentioned in the same breath with Mrs Thatcher and with the American President. The economic policy we're making here is ours. The problems we have are ours. And we are deeply concerned over the employment picture in the Federal Republic. We know that we can't get a grip on this problem via more consumption and more government spending. We'd only be making things worse. Even the trade union chairmen are saying that today there is no getting around real income sacrifices for employees. I should like to acknowledge this explicitly.

SPIEGEL: Not in 1982 either?

Lambsdorff: That's my assumption. If you just look at what we're demanding of the civil service. Real losses in income are to be expected for 1982. And the situation will be just the same in other broad sectors.

SPIEGEL: Aren't you afraid the FDP will gain the reputation of being a party that doesn't care about the unemployed? They aren't among your clientele, you know.

Lambsdorff: No. I don't see it that way. Expert economic opinion throughout the country has rejected such employment programs. The die-hard proponents of these

programs remind me of what one of my predecessors, Herr Schmuecker, used to say to the Free Democratic Party: "And we're not going to let your greater expertise deter us from our political convictions."

SPIEGEL: The only question is whether the SPD can get through the winter without an employment program despite the anticipated development of unemployment figures.

Lambsdorff: That is a politically justifiable question.

SPIEGEL: And we think this demand is going to be forthcoming. And then comes the clash in the coalition — if not the breakup.

Lambsdorff: And I guess everyone will be thinking about where they can find the necessary parliamentary majorities for such an employment program. Do you see one?

SPIEGEL: No.

Lambsdorff: Neither do I.

SPIEGEL: So, either no program or the coalition breaks up. Many people have the impression that all the FDP cares about is making the SPD appear responsible for the fact that this coalition is no longer working.

Lambsdorff: We haven't gotten into this game of who's going to be left holding the bag, and I have no intention of doing so. Our job is not to find out who's at fault, but to live up to our obligations.

SPIEGEL: Perhaps the Union will embarrass you yet, by putting proposals before you in the Bundesrat on which you haven't gotten through to your partners in the coalition.

Lambsdorff: Well, judging by the kind of proposals submitted to me by the opposition last week, I no longer have anything at all to fear.

SPIEGEL: In the eyes of many Social Democrats, the burdens contained in the program for economy measures are not socially balanced.

Lambsdorff: Which groups have been spared?

SPIEGEL: First of all, for example, we can quote your party colleague, Bundestag Deputy Helga Schuchardt. She has stated publicly: I have not been affected at all. We can also cite ourselves as examples; we are certainly reckoned among the higher-paid. And our part in this is the grand sum of DM 20 or 40 cut from our family allowance. Let's take dentists with an average income of more than DM 300,000. If anything, they can take their tax breaks and build some more houses. Before the negotiations, you were saying that everyone would have to make sacrifices.

Lambsdorff: It's my belief that we have achieved a relative measure of equitableness. I have always said — and this has angered many people — that the money is to be retrieved from where most of it has been handed out in recent years, as was reasonable — namely in the area of increased middle and lower incomes. You named

a few areas where the burden has proved to be minimal. I quite agree with you. But how and in what way would there have been opportunities to zero in on these areas? There haven't been any suggestions along that line — except for the area of holding down costs.

SPIEGEL: Let's take that as an example.

Lambsdorff: In the matter of holding down costs, we agreed that we would talk with each other about structures in the health sector in the course of 1981 — or up to 1984. There have been developments in this field that are certainly due in no small measure to a lack of competition and an inadequate supply of services; changes can be considered here. But I don't mean changes through pricing laws, price controls and price ceilings. The trend toward increasingly higher medical insurance premiums is a cost factor that we have to get a grip on somehow — and I say this as the economics minister.

SPIEGEL: Graf Lambsdorff, your own role in the economy negotiations is perceived by the Social Democrats as a dubious one....

Lambsdorff: Dubious?

SPIEGEL: Dubious means questionable. People don't know where they stand with you. Many of them have the impression that you wanted the coalition to break up. Is that right?

Lambsdorff: That's the first time I've heard that people don't know where they stand with me. I have heard that there have been complaints with regard to my negotiating style — not from the FDP quarter, I might add....

SPIEGEL: ...oh yes. Even there there were doubts about your role. Doubts similar to the ones the Social Democrats had: What does Lambsdorff want?

Lambsdorff: I tell you clearly and distinctly: No such doubt was expressed in the parliamentary group session, not a single word.

SPIEGEL: Elsewhere, however.

Lambsdorff: What was said to you outside the conference room doesn't interest me in this regard. My positions on the matter were no more rigid than those of the party chairman; indeed, he had laid down the marching order in his summer letter. I negotiated with a clear mandate behind me from the federal executive board and the parliamentary group. And I've heard no one charge me with having tried to deceive anyone, hoodwink anyone....

SPIEGEL: ...no one is saying that.

Lambsdorff: ...okay, then I'm satisfied.

SPIEGEL: The heart of the matter was this: How far did Lambsdorff intend to go? Had you deliberately planned to let this coalition come apart?

Lambsdorff: I negotiated. And I viewed these negotiations within a framework that also did not rule out from the outset the breakup of the coalition as an ultimate possibility. Why should I deny that?

SPIEGEL: That's the first time you have ever employed a negotiating plan like that. Wasn't it an extremely risky move?

Lambsdorff: Yes, it was used for the first time. There were fundamental changes — Genscher noted that in his letter to his party associates. I am in absolute agreement with him as regards what the situation demanded this summer and the necessity of making the right decision. And that's why it was a first-time situation and — I hope — also a one-time situation. One cannot use such a "dolus eventualis" over and over again in conducting negotiations. That can be done once and only once. And the usefulness of an instrument like that does not increase if the options on the other side — should one be thinking of a coalition change — are nil: a deep, yawning, black hole. But perhaps on Monday in Berlin the Union's minister-presidents will be able to bring some light to the darkness of their group in the Bonn Bundestag.

SPIEGEL: In any event, this time the breakup figured in both your calculations and Genscher's?

Lambsdorff: No, I can't say that. I didn't talk to Genscher about this matter. It was the back of my mind, not Genscher's. Nor was the breakup calculated in the back of my mind; of course, it wasn't ruled out, either.

SPIEGEL: But how could you, who are not even deputy party chairman, conduct the negotiations as you did without cover from the party chairman?

Lambsdorff: The negotiations — I've already said this once — were conducted smoothly and in harmony. Moreover, the leader of the negotiations was the party chairman. It was simply not possible to describe the problem situation any more clearly than the way it had been stated in Genscher's four-page letter. And the party understood that very well.

SPIEGEL: Your party associate Baum has declared that there has still been no departure from the Freiburg platform — from the principles of this social-liberal policy. Do you share this opinion?

Lambsdorff: I think so, but I also think that people must ask themselves this question: What more can the social welfare state do under the changed economic conditions? And to that extent, some of the Freiburg economic principles no longer exist. The Freiburg platform provided among other things for giving material substance to civil rights — to put it succinctly.

SPIEGEL: Meaning a departure from Freiburg after all?

Lambsdorff: No. The only question is whether people have the courage to adjust to the changed situation and take the necessary action.

SPIEGEL: The Freiburg platform was once considered the cement that held the social-liberal coalition together. Is that still true in any way?

Lambsdorff: It's correct that some of us saw it that way. Others — and I count myself among them — have always seen this as the independent conception of a liberal party and a liberal policy.

SPIEGEL: So the old Freiburg FDP would also be capable of entering into a coalition with the CDU?

Lambsdorff: These are ideas that are all pretty far off — according to what I've just witnessed gain in recent weeks on the part of the CDU/CSU. There are sincere, vigorous statements, and then nothing comes of it.

SPIEGEL: If you consider the basic principles of economic policy and also — of late — foreign policy, isn't there a recognizable proximity to the CDU? Isn't there a great temptation to give it a try with the CDU?

Lambsdorff: There are temptations to which one gladly succumbs. But to succumb to this temptation under present conditions — and to do so gladly — I'm quite a long way from that.

SPIEGEL: Isn't it more that you have to shrink from this change because your party is not yet going along with this course at present?

Lambsdorff: One can only guess at that. You're aware of the results of this poll\*. It's a question that no one can answer with certainty and conclusively. In any event, the responsibility bestowed upon us by the voters in 1980 demands that we make every effort and work with the SPD to solve our problems — even if there are sometimes loud clashes, conflicts and a gnashing of teeth.

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\* According to a poll conducted for the FDP, the percentage of FDP voters who favor a social-liberal coalition has dropped from 80 percent to 56 percent over a period of a year.

## PAPER URGES ACTIVE ROLE BY GOVERNMENT AGAINST INFLATION

Helsinki UUSI SUOMI in Finnish 19 Aug 81 p 2

[Article: "Wrong Psychology"]

[Text] Prime Minister Mauno Koivisto estimates that the index threshold that has been approved for wage agreements will be exceeded both this and next year. The pessimistic prime minister seems to view inflation as an automation that advances under its own power regardless of any countermeasures. In the field of economic policy some frank statements, in fact, are going to have to be made in order to prevent unfounded optimism, but in making these statements one should be careful to take their psychological impact into consideration.

While the prime minister seems to have given up playing games, it is clear that exceeding the index threshold cannot be avoided. Crossing that threshold does not in itself mean anything at all, since wages will rise as much as the rise in prices will this year exceed the 6-percent mark. It will not lead to any substantial rise in wages, but it is a matter of positions. The government's own position is of decisive importance and the moment could not be a more pertinent one for the government than right now with the time for thrashing out the budget approaching.

In practice the administration, the state and the municipalities' tax, price and cost decisions determine the fate of the index threshold. The decisions that lie before us will mainly affect next year, but their psychological importance for this year is indisputably clear.

Since last February the inflation rate has remained quite satisfactorily within reasonable limits.

Industry's voluntary self-restraint with regard to the raising of prices in the spring and early summer has produced excellent results. The cost of living index has risen for other reasons, the most important of which have been the rise in the cost of energy, rental increases largely due to that and the rise in farm wages.

In the future too, moderation is indispensable in the domain of commerce and industry. However, the rug should not be pulled from under it by predicting that the index threshold will in almost any case be exceeded. The extension of pessimism to anti-inflationary measures is an entirely wrong policy.

The prime minister's depressing statement is, on the other hand, perhaps understandable as an attempt to get the labor organizations to realize the extent and

permanence of the changes in the structure of the economy. With its sliding scale, the usual wage policy that crystallizes during a period of continuous growth is naturally transformed into a permanently inflationary one during a period of declining growth and especially one of zero growth. If the administration is placed in the role of passive sponsor of the conventional wage policy, the government will obviously not have room to maneuver in its economic policy.

The government, however, does not have to be a passive sponsor; it can be an active one. The government still has the means to slow down inflation by keeping down increases in its own costs. The government can also persuade the labor unions to be realistic. This depends on a political choice. The determination needed to make contradictory decisions does not perhaps exist if the only lasting goal is to keep the government together, cost what it may, until the next parliamentary elections.

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CSO: 3107/127

## KOIVISTO COMMENTS ON INCOMES POLICY

Helsinki UUSI SUOMI in Finnish 18 Aug 81 p 6

[Article: "Koivisto's Message to National Economy Experts: Incomes Policy Conditions Have Substantially Weakened"]

[Text] Prime Minister Mauno Koivisto (Social Democrat) told Nordic national economy experts meeting in Helsinki that the conditions for a successful wage policy are even weaker than they were before. The members of the conference held to discuss problems relating to slow economic growth listened to Koivisto say that there were only lean years ahead of us.

"Assigning the government the role of moneyman did not bother many of them either just as long as they could believe in a cycle of lean years and full years and on a corresponding automatic effect of stabilizing factors on the finance system," Koivisto said.

With the change in the situation, according to Koivisto, pressures have been produced to incorporate issues that qualitatively alter the society, like environmental and wage-earner fund questions, into the domain of wage negotiations. These are, however, in the prime minister's opinion, issues that are politically harder to resolve than those pertaining to income distribution in a growing economy.

In Koivisto's opinion, the most important thing is for the government and the biggest labor unions to achieve unity on a realistic appraisal of the situation in terms of the changed economic environment, the indispensability of reaching agreement on it and the means required for doing so.

## Varying Experiences with Wage Policy

According to Koivisto, economic highs have constituted the most problematic aspect of stabilization.

During economic highs, in spite of comparatively moderate wage-agreement increases, sliding scales, the pressures of market demand and foreign market prices have upset the price equilibrium because of an overly passive policy of regulation of demand and the foreign exchange rate.

In Koivisto's opinion, it is unfortunate that wage agreements often limit the flexible use of taxation as a device for creating a stabilization policy and, in general, an economic policy.

Koivisto said that tax reductions and increases in wage assignments, by means of which the government buys moderate wage agreements and which usually go with a wage policy, do not really go together with what is required of a finance policy during an economic high.

#### It Pays the Government to Support Investments

In the opinion of Oslo Prof Trygve Haavelmo, it costs governments more to maintain full employment than to support investment activity to raise production capability.

According to Haavelmo, it is not at all certain that a big, artificially obtained consumer demand in any way increases private investments. "It may even happen that a big, guaranteed demand for consumer goods reduces the desire to invest in the fields of consumer goods."

The Norwegian professor's conclusion is that zero growth can lead to major and increasing public sector expenses. In his opinion, raising purchasing power is an altogether too passive kind of finance policy. Expenditures should be linked to the larger demands of contributions to production and investment.

#### Predictions Too Rosy

Prof Karsten Laursen of Denmark felt that predictions on world trade are probably too optimistic. It is estimated that trade among the industrial nations will grow by 3.3 percent annually, whereas trade between the industrial nations and the developing countries will grow by 8.1 percent. In his opinion, world trade is to a great extent unbalanced and will undergo changes in structure.

A typical feature of this trade has been the fact that certain developing countries have been able to increase the amounts of industrial goods, particularly clothing industry products, they export. Laursen maintained that, at the same time, these developing countries have been transformed into an export market area for the industrial nations. According to him, there is no reason to assume that foreign exchange conditions will remain stable for a long period of time.

Many industrial nations are more interested in preventing inflation than equalizing their balance of payments by increasing exports. That is why they pursue a tight money policy. Laursen said that this stabilization of monetary policy will take a long time, perhaps 6 to 7 years in the United States. He furthermore feels that differences in interest rates will lead to foreign currency speculation.

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## ECONOMIST ANALYZES RECENT CENSUS STATISTICS

Athens O OIKONOMIKOS TAKHYDROMOS in Greek No 33, 13 Aug 81 pp 23, 24, 35

[Article by Vas. G. Sofianopoulos, Economist and Specialist in Regional Development]

[Text] The preliminary data of the recent population census, in spite of the ostensibly positive picture, once again verify the desperate intensification of regional inequities in our country. This finding derives from the "traumatic experience" of a static developmental model which destabilizes the population. This is because the demographic development is absolutely tied to the degree of development of the productive forces.<sup>1</sup>

The initial results of the General Population Census of 5 April 1981 compose a picture of a not so surprising population upheaval. In the language of figures, total population reached 9,706,687, an increase of 938,046 persons during the 1971-81 period, increasing at an average annual rate of change of 1.02 percent. This increase is much greater compared to the previous decade (380,088 or an average annual rate of change of 0.44 percent) and now reaches the levels of the less industrialized European countries (Ireland, 1.2 percent, Spain, 1.1 percent, Portugal, 1.0 percent).

TABLE 1

## [Population Distribution]

Geographic District	Area in Kilometers	%	Number of Residents	%
Athens Area	428	.32	3,016,457	31.07
Stereia Ellas-Evvoia	24,480	18.5	1,097,480	11.31
Peloponissos	21,439	16.2	1,005,154	10.35
Ionian Islands	2,307	1.74	181,064	1.86
Ipeiros	9,203	6.97	323,333	3.33
Thessalia	13,929	10.5	695,010	7.16
Makedonia	34,177	25.9	2,105,649	21.7
Thraki	8,578	6.5	345,709	3.60
Aegean Islands	9,113	6.9	435,749	4.50
Crete	8,336	6.47	501,082	5.12
Greece [Total]	131,990	100.00	9,706,687	100.00

## Distribution of Population by Area

The unequal distribution of population together with its total dispersion in the area is a fundamental element of Greece's "human geography." This phenomenon is shown by the population distribution in the geographic districts (see Table 1). In this decade also, as before, the over-concentration of people in the nation's capital is evident. The entire Northern Greece area (Ipeiros, Makedonia, Thraki) is not enough to compensate for the tremendous volume of population in Athens.

From the 10 geographic districts, only 5 appear to have experienced a population increase (Athens area, Sterea Ellas and Evvoia, Makedonia, Thessalia and Peloponnisos) while the remaining 5 districts (Ipeiros, Ionian Islands, Thraki, Aegean Islands and Crete) are the country's frontier regions covering 28.5 percent of total territory and having 1,786,937 persons or 18.4 percent of the total (compared to 19.4 percent in the 1971 census). Fifty-two and seven-tenths percent of the population is concentrated in the area of the "old Greece" of 1928 (Sterea Ellas and Evvoia, Athens area and Peloponnisos).<sup>2</sup> In the 1961 census, 83 percent of the Greek population lived in continental Greece while 17 percent lived in the island section (which consists of 438 islands of which 135 are inhabited). In 1971 this ratio was 85.2 to 14.8 percent while in the latest census it reached 86 to 14 respectively.

According to the data of Table 2, 11 nomes are regarded as areas of rapid population increase. Of these, 2 are in Sterea Ellas-Evvoia, 5 in Makedonia and 1 each in Thessalia, the Aegean Islands, Crete and Peloponnisos. Population increase is regarded slow in 26 nomes, while in the remaining 14 nomes we have a population decrease which is especially pronounced in the nomes of Kefallinia (-1.6 percent), Lefkas (-1.2) and Evritania (-1.13). Among the 7 nomes in Peloponnisos, 4 show a population decrease.

TABLE 2

### NOME CLASSIFICATION IN TERMS OF THE AVERAGE ANNUAL RATE OF POPULATION CHANGE

Code	Nome	True opulation 1971	1981	Average Annual Rate of Change
01	Attiki (remainder)	257,608	340,723	+2.83
02	Dodekanisos	121,017	147,534	+2.00
03	Thessaloniki	710,352	858,661	+1.91
04	Athens Area	2,540,241	3,016,457	+1.73
05	Pieria	91,728	106,451	+1.49
06	Kastoria	45,711	52,911	+1.47
07	Irakleion	209,670	242,559	+1.46
08	Akhaia	239,859	273,163	+1.30
09	Evvoia	165,369	187,935	+1.28
10	Magnisia	161,392	182,009	+1.21
11	Imathia	118,103	133,066	+1.20
12	Kavala	121,593	135,161	+1.06
13	Larisa	232,226	253,682	+0.88
14	Ioannina	134,688	146,411	+0.84

Code		True Population		Average Annual Rate of Change
		1971	1981	
15	Kozani	135,709	147,033	+0.80
16	Korinthia	113,115	121,887	+0.75
17	Fokis	41,361	44,289	+0.68
18	Xanthi	82,917	88,718	+0.68
19	Khalkidiki	73,850	79,005	+0.67
20	Evros	138,988	148,672	+0.67
21	Lasithion	66,226	69,832	+0.53
22	Khania	119,797	126,131	+0.52
23	Argolis	88,698	93,276	+0.50
24	Kerkyra	92,933	97,506	+0.48
25	Pella	126,085	131,998	+0.46
26	Pthiotis	154,542	161,050	+0.41
27	Drama	91,002	94,709	+0.39
28	Grevena	35,275	36,318	+0.29
29	Rethymnon	60,949	62,560	+0.26
30	Voiotis	114,675	117,376	+0.23
31	Arta	78,376	79,957	+0.20
32	Kyklades	86,337	87,531	+0.14
33	Trikala	132,519	134,264	+0.13
34	Zakynthos	30,187	30,511	+0.11
35	Thesprotia	40,684	41,103	+0.10
36	Rodopi	107,677	108,319	+0.05
37	Florina	52,264	52,475	+0.04
38	Samos	41,709	41,881	+0.04
39	Preveza	56,586	55,862	-0.13
40	Lakonia	95,844	93,292	-0.27
41	Ileia	165,056	159,939	-0.31
42	Serrai	202,898	196,171	-0.34
43	Arkadia	111,263	106,980	-0.39
44	Aitoloskarnania	228,989	219,762	-0.41
45	Kilkis	84,375	80,245	-0.50
46	Khios	53,948	50,870	-0.58
47	Lesvos	114,702	107,933	-0.61
48	Karkitsa	133,776	125,055	-0.67
49	Messinia	173,077	156,617	-0.99
50	Evrytania	29,533	26,345	-1.13
51	Levkas	24,581	21,780	-1.20
52	Kefallinia	36,742	31,267	-1.60
53	Agion Oros	1,732	1,445	-1.80

Finally, of 51 nomes in the country, 26 show a progressively "aging" population while 14 are mathematically moving toward a "demographic death" since they cannot be renewed due to the continuing decrease in the rate of reproduction.

The data of Table 3 show that in the three decades since the war the population of the islands both in the Aegean and the Ionian as well as in the Peloponnisos and in Ipeiros shows a reduction, a fact which is not unrelated to the development programs and the distribution of the regional income. Despite the fact that we do not have as yet the distribution between urban and rural population it is evident

that the nomes which include a large metropolitan center for the surrounding area present a faster rate of increase compared to the overall population of the area. For instance, the Akhaia nome has 27 percent of the population in Peloponnisos (reflecting the metropolitan center of Patrai and the Akhaia industrial zone and the Kerkyra nome has 54 percent of the entire population of the Ionian Islands (one-sided tourist development). In Ipeiros, the Ioannina nome has 45 percent of the population (center providing services, local market, university).

TABLE 3

POPULATION DEVELOPMENT BY DISTRICT: 1951, 1961, 1971, 1981

Geographic District	Population in Thousands				Average Annual Rate of Change				
					1951 1961	1961 1971	1971 1981	1951 1961	1961 1981
Athens area	1,388.6	1,852.7	2,540.2	9,706.7	3.00	3.21	1.73	2.60	2.46
Rest of Sterea-									
Evvoia	908.4	970.6	992.7	1,097.5	0.65	0.23	1.01	0.63	0.62
Peloponnisos	1,129.0	1,096.4	986.9	1,005.1	-0.29	-1.05	0.18	-0.39	-0.43
Ionian Islands	228.6	215.5	184.4	181.0	-0.73	-1.40	-0.18	-0.77	-0.87
Ipeiros	330.5	352.6	310.3	323.3	0.65	-1.25	0.41	-0.07	-0.43
Thessalia	624.3	689.9	659.9	695.9	0.91	-0.45	0.52	0.36	0.04
Makedonia	1,705.4	1,896.1	1,890.7	1,890.7	1.09	-0.05	1.08	0.70	0.52
Thraki	336.9	356.5	329.6	329.6	0.56	-0.77	0.47	0.08	-0.15
Crete	462.1	483.2	456.6	456.6	0.45	-0.56	0.93	0.27	0.18
Aegean Islands	528.8	477.5	417.8	417.8	-0.99	-1.32	0.42	-0.64	-0.45
Greece Total	7,632.8	8,388.5	8,768.0	8,768.0	0.95	0.45	1.02	0.80	0.73

Source: National Statistical Service of Greece [ESYE].

For estimating the average annual rate of population change, the formula  $R_n = R_0 + (1+t)n$  was used.

In Thessalia, because of the intensive dependence of the urban centers on the surrounding farm area, in a set of concentric circles such as those of Von Thunen<sup>3</sup> there is a certain balanced distribution of the population among the various nomes, except for the Larisa nome which has 36 percent of the Thessalia population.

In Makedonia, the Thessaloniki nome is dominant with 41 percent of the population while 43 percent of the Thraki population is in the Evros nome, a fact not unrelated to the military buildup in our frontiers. The Rodopi nome, following the establishing of a university seat in Komotini, has 31 percent of the Thraki population. The Dodekanisos nome with its intensively one-sided tourist development and its militarization has 34 percent of the population in the Aegean. By contrast, the nomes of Khios and Lesbos show a continuing reduction in their populations.

Irakleion and Kania have developed into strong commercial centers while the fierce tourist development, the military units and the university schools and the higher technical vocational schools have contributed to the concentration of 48 percent of the Cretan population in Irakleion and 25 percent in Kania.

In demography and sociology, the most frequently used method is the comparison of the population distribution in a country and the ability of the population to adjust to the necessary changes. The unequal distribution of population in urban centers makes it impossible to bring about the economic and social development of the periphery only through capital investment programs, without the simultaneous solution of basic population and social problems relating to the small urban centers, the villages and the small settlements, in conjunction with an erroneous and one-sided tourist development.

#### Population Density

The data of Table 4 show that only seven nomes exceed the average density of the country's population. In addition to the Athens area, the most densely populated nome in the country is the Thessaloniki nome (241 inhabitants per square kilometer), while 17 nomes have density below the national average.

TABLE 4  
LISTING OF NOMES IN TERMS OF  
DECLINING POPULATION DENSITY

Nome	Density (by square kilometer)	Distribution Index
1. Thessaloniki	241.19	328
2. Kerkyra	152.11	207
3. Attiki (remainder)	100.80	137
4. Irakleion	91.84	125
5. Akhaia	85.12	116
6. Imathia	77.73	106
7. Zakynthos	75.15	102
8. Pieria	70.68	96
9. Magnisia	69.05	94
10. Levkas	67.01	91
11. Kavala	64.08	87
12. Ileia	59.66	81
13. Khios	56.27	76
14. Dodekanisos	54.54	74
15. Samos	53.83	73
16. Korinthia	53.25	72
17. Kania	53.08	72
18. Pella	52.67	71
19. Messinia	52.36	71
20. Preveza	51.44	70
21. Lesvos	50.11	68
22. Arta	49.57	67

Nome	Density (by square kilometer)	Distribution Index
23. Xanthi	49.48	67
24. Serrai	49.41	67
25. Karditsa	48.55	66
26. Evvoia	48.09	65
27. Larisa	47.42	64
28. Rodopi	42.59	58
29. Argolis	42.13	57
30. Rethymni	41.82	57
31. Kozani	41.24	56
32. Aitolokarnania	40.35	55
33. Trikala	39.88	54
34. Lasithion	38.31	52
35. Pthiotis	36.87	50
36. Voiotia	36.55	49
37. Evros	35.04	48
38. Kyklades	34.03	46
39. Kefallinia	33.44	45
40. Kastoria	31.40	43
41. Kilkis	30.69	42
42. Ioannina	29.34	40
43. Florina	28.16	38
44. Drama	27.31	37
45. Thesprotia	27.15	37
46. Khalkidiki	26.83	36
47. Lakonia	25.66	35
48. Arkadia	24.21	33
49. Fokis	20.88	28
50. Grevena	15.53	21
51. Evrytania	12.88	17
52. Agion Oros	4.30	6
GREECE	73.54	100.0

Peloponnisos is divided into two. In its western section only do we have significant population concentrations while in the central and southeastern section Peloponnisos is virtually empty. The island nomes show the same asymmetrical features as those found in the continental part. These contrasts, a product of the uneconomic development policy, had a direct effect on the system with which the towns and settlements of the country were developed. In spite of their activity, the real economic foundation, the size and social influence they exert, Thessaloniki and Patrai as well as the other "urban centers" such as Larisa, Volos, Kavala, Ioannina, Kalamata and Irakleion are below the optimum level of development. This, of course, is directly tied to the overall economic and social structure of the peripheries around those centers.

## Components of Demographic Development

The population changes basically depend on two variables, the natural movement (the difference between births and deaths) and the emigration flow (repatriation-emigration).

The rate of population change is the algebraic addition of the rate of change in the natural movement to the rate of change of the emigration flow. The rate of demographic change shows the following development in the last 30 years:

1951-1961:  $0.95 = 1.12 - 0.17$   
1961-1971:  $0.44 = 0.95 - 0.51$   
1971-1981:  $1.02 = 0.73 + 0.29$

During the 1961-1971 decade we had a decline in the rate of population increase due to the decline in the excess of births over deaths and to the rise in the excess of emigration over repatriation.

In the last decade we saw a significant increase in the rate of population change due primarily to a reversal in the emigration flow with the offsetting of emigration by repatriation while the rate of natural increase has declined. This observation is not an optimistic projection since the postwar baby boom experienced by many countries, both those that took part in the war and those that did not, was low and time limited in Greece. This is attributed to the emigration flow in the 1961-73 period when more than 1 million people left the country. Yet, in spite of the beginning of repatriation in 1973, the decline of the birth rate was not reversed since the corresponding index shows a 50 percent decline compared to 1931.<sup>5</sup>

In our country, the problem of low birth rate is immediately felt because of our small population and the extensive urbanisation, and has developed rather late especially after the dependent industrialization and the strengthening of the new petty-bourgeoisie in the towns,<sup>6</sup> based on the demographic transition theory.

According to this theory a country moves from a condition of high mortality and birth rates to a condition of declining mortality rates while birth rates continue to be high, to reach in the end, side by side with its industrialization and the expansion of the urban sector, low rates of mortality and birth rates.

The opinion has been expressed<sup>7</sup> that in our country this theory has been fully borne out since the birth and death rates have declined gradually during the last 50 years. The increase of mortality since 1960 must be basically attributed to the aging of the population and not to a deterioration of living conditions or medical care.<sup>1</sup>

The combination of these tendencies in fertility and mortality rates resulted in a decline of the biological increase in the Greek population from approximately 11 percent during 1951-60 to 7 percent during 1971-80. By employing a retrogressive analysis, it was discovered that the increase of their Gross National Product, the external emigration and the rise of the people's educational level have a negative effect on the birth rate.

TABLE 5  
DEVELOPMENT OF BIRTH RATE AND MORTALITY  
IN GREECE, 1921-1980  
(Average Annual Rates per 1,000 Persons)

Time Period	% Birth Rate	% Mortality	Natural Increase(%)
1921-30(a)	31.0	20.1	10.9
1931-40(a)	28.2	15.7	12.5
1941-50(a)	20.5	13.4	7.1
1951-60(b)	19.2	8.0	11.2
1961-70(b)	17.7	8.2	9.5
1971-80(b)	15.7	8.4	7.3

(a) Source: G. Siambos (1973): "Demographic Development in Modern Greece, 1981-1985."

(b) Personal assessments.

The study used cross-sectional data for the 1961-71 period and by employing linear and logarithmic models concluded that the continuing development of the Greek economy will have a rather positive effect on the fertility rate.<sup>9</sup>

It is evident, of course, that there is an inherent difficulty in finding and pointing out structural and direct causal relationships between fertility and the various socio-economic phenomena expressed in the form of statistical data.<sup>10</sup>

The data of Table 6 show that the rate of overall fertility has declined during the last 40 years. While in the 1933-37 period 1,000 women of fertile age gave birth to 1,257 female babies able to survive until the end of their generation and reproduce the fertile female population, during the last 5 years 1,000 such women barely exceeded their number by only 70 female infants. In other words, the population's reproductive ability declines constantly.

During the last decade, two strongly determinant trends appeared:

- a. Development of the local urban centers and the activation of the influence they exercise on the surrounding housing settlements.
- b. Increased repatriation rate.

The influence of the urban centers exceeds the boundaries of a given nome. For this reason the population increase in certain nomes is due to the urban concentration and the gradual reduction in the farming population, while any return to the countryside is minimal.

The rise in the repatriation rate is not due to the rise of new employment opportunities in Greece but to the economic recession and unemployment which has appeared in the last few years in Europe. In this manner, the problem which caused

the emigration is reversed since all these years no corresponding efforts were made to create conditions for utilizing the repatriated skilled personnel. It is known that worldwide it is difficult to go back to the village once a person has come into contact with the living conditions in the large urban centers. In this way, the so-called "indirect domestic emigration" considerably weakens the peripheral pools of manpower while creating pressures for employment opportunities in the cities and bloating parasitic activities.<sup>11</sup>

TABLE 6

SPECIAL FERTILITY RATES(%) BY AGE AND  
(%) INDICES OF THE GREEK POPULATION

Age of Mother	1933-37(a)	1976-80(b)	b/a(a 100)
15-19	18.24	43.0	236
20-24	129.35	149.9	116
25-29	295.51	145.1	49
30-34	178.49	78.1	44
35-39	141.11	35.6	25
40-44	51.57	8.2	16
45-49	12.62	0.85	7
TER <sup>1</sup>	3684.5	2309.7	63
GRR <sup>2</sup>	1787	1117.8	62
NRR <sup>3</sup>	1257	1070.1	85
1r/10 <sup>4</sup>	0,70241	0,96801	138

The experience of the recent past, which organically shows the causes of the "Greek demographic problem," is sketched in the text of K. Karavgidas<sup>12</sup>: "Armenopoulos and Roman Law of full ownership, the justice of the peace and the para-legal aid and the law on shepherds, the concentrated administration, the badly oriented school, the state bargaining resources and the remittances from emigrants, usury, the invasion of industrial products in local markets, the recent farming loans of banking capital and many other factors with no end, have wiped out the local color and prematurely and negatively monetized and cutoff the connecting links and undermined the agricultural community which existed in the old Greece and thus uprooted its population toward the cities and abroad, changing the living community into a mechanistic combination of houses and people."

This eloquent presentation, half a century old, emphasizes the main cause, the anti-development transition from an essentially precapitalist mode of production to a marginal, capitalist mode and the expectation of economic development prior to mechanization.

What is shown by the preliminary results of the recent population census is the illusion of statistical data. However, side by side with the ostensible improvement of the demographic structure in Greece, the population change and the growth of the urban areas of the nomes carry an increasing cost from the social point of view. This cost is not related only to the formulation of new consumption models but also to every form of capital accumulation. The fact that the rate of population increase in the Athens area has declined does not mean that the

incentives for the peripheral development are releasing capital concentrated in this area but that the possibilities of new capital accumulation are today limited.

At the same time, the urban concentration of the social surplus feeds the "hidden" economy (invisible earnings) which played a principal role in attracting productive elements to the center. Speaking during a discussion over the economic crisis, Professor Giorgos Krimbas<sup>13</sup> summed up in a few lines the phenomenon of the subsidies made to the Greek economy by the Greek seamen and emigrants who pay the social cost of a parasitically organized economy. Roughly speaking, he said, among the four sectors, homes, production, state and the foreign sector, the first three are negative and the fourth covers the deficit of the other three. The transfer of funds from the diaspora Greeks is the foundation of a circuit which supports a level of purchasing power in the Greek area which is disproportionate to the true possibilities of the national economy. The feeding of the economic circuit in our country with anti-productive capital promotes the parasitic economy which having found an expression in all sectors of social activity rules out the creation of dynamic bourgeois economies capable of claiming an autonomous development, challenging the omnipotence of the center.

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CSO: 4621/95

## SLIGHT ECONOMIC SLOWDOWN, CONTINUED INFLATION SEEN

Zurich NEUE ZUERCHER ZEITUNG in German 19 Sep 81 p19

/Text/ The quarterly report of the commission on economic questions contains the following information: During the summer months, economic activity in Switzerland continued at a high level. There was a slight rise in foreign demand for Swiss industrial products, aided by the lowered real exchange value of the Swiss franc. Domestic demand, except in the building industry, continued to rise as before. The coming months are likely to see a slight cooling down of the economy. Generally speaking, the employment situation will hardly change; it will remain satisfactory. The strong price rise, which abated during the second quarter but began to accelerate again at the start of the third quarter, will continue.

## Recovery in Foreign Demand

Since March, the nominal exchange value of the Swiss franc has risen against all major currencies, continuing to lose ground only to the dollar. All the same, the export-weighted, real exchange rate index did not exceed the level of August a year ago. Compared with the past 3 years, it was still at a low level. The contrary flow occasioned by a higher-rated dollar and lower exchange rates for most other currencies has a negative effect on the profits of firms which pay for raw materials and unfinished products in dollars but must invoice their own products in other currencies.

Although recessive tendencies among the West European trading partners did continue and the GNP in the United States decreased in the second quarter, foreign demand for Swiss industrial products recovered slightly during the second quarter. Orders and exports both exceeded those of a year ago. A contributing factor appears to be the favorable price-competitive position of the export industry over the past 1 1/2 years or so. Export prices, measured against the mean value index, continued to rise. As compared to last year, overnight stays by foreign visitors increased once again.

## Reduced Domestic Demand

Once more, the growth of domestic demand appears to have leveled off during the second quarter. Private consumption of goods and services, adjusted to seasonal and special influences, increased at much the same pace as during the preceding quarter. Demand for building investment went down; builders' orders did not attain the volume of the preceding quarter. The decisive factor was the reduction of orders for private dwellings in real terms. Another indication for lowered demand in the building industry was the number of building credits newly approved by the banks. The upturn in equipment investment, observed for the first time for a long time in the last quarter, continued.

Production of goods and services appears to have been higher in the second quarter as compared to a year ago. Measured against the number of employees in the industry, there were more services offered this year than last. Building activity also was greater. But industry did not produce quite as many goods as it did in the same quarter a year ago. Imports in real terms, too, were lower than last year, although not quite as markedly as during the first quarter. As in previous quarters, there were lower imports of raw materials, semi-finished goods and energy products. Finished product stocks did not increase further.

In the second quarter, the labor market continued to be tight; skilled workers in particular were in short supply. Employment rose, but not uniformly. While it continued to grow in the services sector, it reached a standstill in industry and construction. The number of unemployed and partially employed continued to go down. At the same time, the number of registered open positions and job advertisements in newspapers also declined. Purchasing power of wages in the second quarter did not reach the level of a year ago.

The sharp rise in prices at the end of 1980 and during the first quarter --which is reflected in higher annualized rates now-- temporarily leveled off during the second quarter both at the wholesale and the retail level. The slowdown in prices for consumer goods was particularly evident with respect to food and heating oil. There was a slight increase in the cost of services, the decisive factor being the increase of the rent index which took effect in May. Given the institutional situation in the apartment market, the increase in mortgage rates last spring was primarily responsible for the increase in rents. At the wholesale level, the rise in prices also slowed down; it was particularly evident in the price of consumer goods and agricultural imports as well as energy products. By the start of the third quarter, however, the rise in prices both in consumer goods and at the wholesale level began to pick up once more-- particularly with respect to food, heating oil and gasoline.

The Swiss National Bank is holding to its restrictive monetary policy. Interest rates for Swiss francs rose during the second quarter. Between early June and the end of August, they declined somewhat. When the Bank announced it would raise the official discount and Lombard rates and somewhat restrict the liquid assets of the banks toward the end of the month, interest rates shot up at once. This rise led to a shift from sight deposits to term deposits once again. Monies deposited in savings accounts fell below last year's levels.

#### Accelerated Inflation Likely

If the exchange value of the Swiss franc remains more or less unchanged, foreign demand is likely to stagnate at the present level. Domestic demand will increase at the same slow pace as before. Since the important indicators of changes in the demand for private consumer goods register no such trend, one may expect this sector --which by experience is slow to react-- to rise at the present pace. The slight rise in equipment investments is not likely to offset declining demand in construction so that investment demand as such will continue to drop.

Although industrial orders on hand were markedly higher during the second quarter and the two quarters preceding than they were last year, plans are to reduce production. The reason for it is that more and more firms consider their finished goods stocks too large and are pessimistic about future orders. The slight rise in the value of the Swiss franc may have contributed to this assessment of their stocks. Work on hand in the construction industry just barely exceeded last year's levels. The builders have no plans of further expanding building activity. Industrial production, which is likely to decline somewhat, will not lead to a generally perceptible decline in the demand for manpower. During the second quarter, at any rate, the number of industrial firms that felt their labor force was too large with a view to business volume in the coming months did not increase as against the previous quarter. In those branches of industry which are faced with structural problems, partial unemployment is likely to rise somewhat.

If the nominal exchange rate of the Swiss franc, particularly against the dollar, stays about the same, the price rise is even likely to accelerate. Continued consumer demand, expectations of labor with regard to CLI adjustments as well as continuing high employment will permit the rollover of cost prices and costs as well as higher profits in some instances. Higher mortgage rates, announced for the fall will lead to higher rents and to a sharper rise in the rent index, due to be fixed in November. Only if the dollar exchange rate should dip considerably could the price rise be slowed down in short order.

## MILITARY EDICT AIMED AT STABILIZING PRICES IN SOUTHEAST

Adana YENI ADANA in Turkish 16 Jul 81 pp 1, 5

[Text] As indicated a few days ago by our newspaper, the 6th Army Corps and Martial Law Command has undertaken a major effort against "increasing price anarchy." The Command has requested that the public in its role as "primary watchdog" promptly report any complaints to Martial Law authorities.

The Press and Public Relations Department of the 6th Army Corps and the Martial Law Command for the provinces of Adana, Icel, Kahramanmaras, Adiyaman, Gaziantep and Hatay has made a broad announcement concerning price controls, the determination of profit margins, labelling practices, and the penalties to be imposed against prospective violators.

It is a well known fact that our newspaper had alluded a few days ago to pricing irregularities that seemed to particularly affect fruit and vegetable prices. Following this we had received telephone calls from individuals who had had their pecuniary interests placed in jeopardy by the more effective official controls imposed in the wake of our article. These callers had disputed the veracity of our article. While these individuals had not been able to tell us who had brought the obscene increases in food prices, yesterday's announcement by the Martial Law Command has served both as a rebuke to such individuals and as a confirmation of our article. The announcement concerning this matter reads as follows:

- 1) From 12 September 1981 to this date, the retail market inspection unit established by the 6th Army Corps and the Martial Law Command has conducted uninterrupted monitoring of market prices and retailers. Within this period, 145 various businesses in the province of Adana alone, have been shut down for specific lengths of time in accordance with Section H, Article 3 of Martial Law 1402.
- 2) This monitoring has revealed that a large number of merchants and retailers are beginning to comply with legal guidelines. It has been noted that in a majority of cases, the use of a unified system of price labelling has resulted in increased confidence between buyer and seller and in the emergence of sales that reflect predetermined boundaries for profit margins.
- 3) Lately, it has been noted that meat sales were being conducted by merchants charging exorbitant prices in the aftermath of the latest official price increases. The prices being charged were above those established by various municipalities.

In Adana for instance this has resulted in the closing of 28 butcher shops for a period of five days following a period of increased monitoring. The regional Martial Law Command is carefully pursuing this matter.

4) It has been determined that certain individuals have been pursuing excessive profits by deliberately maintaining high fruit and vegetable prices. Complaints that have reached our Command and news items that have appeared in our press have indicated that high prices have been maintained this late in the season in spite of the fact that provinces such as Adana, Icel and Hatay produce a substantial amount of the fruit and vegetable products grown in our country. Fruits and vegetables are shipped to all corners of Turkey from our region. The 6th Army Corps and Martial Law Command has taken a firm decision to confront such public enemies. Consequently:

a) Inspections will be conducted at all levels of production by the municipalities of the provinces of Icel, Adana and Hatay, as well as all other concerned public institutions. These inspections will trace a product from the produce store to harvest grounds and from harvest grounds to produce stores.

b) The stipulations of Martial Law 1402 will be enforced against those individuals who obtain unfair profits from the sale of fruits and vegetables--as such products constitute necessities for the well-being of our population.

c) Combined inspection squads consisting of authorities from the Martial Law Command and Adjoint Martial Law Commands as well as provincial governments will assist municipalities in providing continuous monitoring within our region.

5) In addition, we deem it important for the public to exercise the role of primary watchdog, and for individual consumers to remain cautious. The public can be of assistance to martial law authorities by promptly reporting any complaints.

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CSO: 4654/134

## DENIZCIER URGES COLLECTIVE BARGAINING

Istanbul TERCUMAN in Turkish 15 Aug 81 pp 1, 15

[Text] The Steering Council of Turk-Is [Turkish confederation of labor] has begun its activities with an opening address by Chairman General Ibrahim Denizcier. In his speech, Denizcier announced that the issue of the general secretariate was being included within the agenda as requested by the ICFTU. In his opening address, Turk-Is Chairman General Denizcier stated that he was eager for the Constituent Assembly to convene. Claiming that the high cost of living was becoming all encompassing and that prices were being raised on all items Denizcier said:

"High costs have become commonplace and the price of every article has been raised. When we asked for wage increases to pay for the sweat on our workers brows they always confronted us with replies implying that such increases would bring about "the collapse of the economy." We believe that the Turkish worker can bolster the economy. I regret to say that those who are currently trying to run the Turkish economy believe that the economy could be made to improve by raising prices on everything and lowering workers wages. The task of economic improvement should not be monopolized by a single individual. As everywhere else in the World, such a task should be undertaken in Turkey by a team or a council. There are many things to be said and we are very upset."

Turk-Is Chairman General Denizcier maintained that workers had not recieved past seniority bonuses or raises obtained through direct collective bargaining. He said, "We are owed money by the state. We have asked the authorities that our colleagues not be inconvenienced any further." Denizcier added the following:

"Some time ago Turk-Is did some work involving the adoption of labor laws and the drive towards collective bargaining. Earlier, Turk-Is had conducted some preliminary work concerning labor laws 274, 275, 1475, the fund for seniority compensation, the modifications on law 506 and the law on agrarian labor. We had handed over our prepared drafts to the authorities. We had requested that the Constituent Assembly convene as soon as possible to review these preparations. To this day this has not been done. Turk-Is will insist that the Constituent Assembly convene as soon as possible."

In his speech, Turk-Is Chairman General Ibrahim Denizcier complained that the High Court of Arbitration was conducting its work at a very slow pace and urged for a quick return to the normal process of collective bargaining. Denizcier said that 50,000 contracts awaited signature at the High Court of Arbitration and continued:

"As you know, the greatest difficulty facing the workers is the fact that the mechanism for collective bargaining has been embedded within the High Court of Arbitration. Unfortunately, the activities of the High Court of Arbitration are currently not proceeding at a normal pace. The Court has not yet completed its review of contracts for the year 1981. There are at least 50 to 60 thousand contracts still awaiting action. In spite of this, the head of the High Court of Arbitration has constantly maintained that the contracts for 1981 have been completed and that the court is about to consider those for 1982. In spite of such words--and they have been just words--approximately 50,000 contract negotiations are still awaiting signature. This has been a source of great frustration for workers. Instead of working at this pace, let us return as soon as possible to the old format of collective bargaining. The High Court of Arbitration could still be instrumental in the resolution of any future conflicts. This is what we want and what we are proposing."

Turk-Is Chairman General Denizcier repeatedly mentioned his organization's current inability to conduct normal union activities. He said: "We are able to hold our congresses in every province except Istanbul. However, we are unable to hold meetings of the Steering Council or any seminars." Denizcier expressed a desire for the resumption of union activities and said:

"When our fellow labor representatives met with employers to claim benefits obtained through collective bargaining, they were confronted with the reply that no union activity can take place at this time. Such actions place the current government in a difficult position and cause hardship for our workers. We have taken this issue to the authorities, the Prime Minister and to those concerned in the National Security Council. We wish to see a resumption of union activity as soon as possible."

In stating that there ought to be no difference in terms of retirement benefits between laborers and government employees, Denizcier announced that he wanted the government to adopt a uniform policy in this matter. In the final portion of his speech, Turk-Is Chairman General Denizcier stated that production levels that had dropped to as low as 30 percent had climbed back to 70-80 percent as the result of efforts by the workers and went on to criticize the managers of State Economic Enterprises. The administrators are choosing to forego the opportunity to achieve a normal production increase. We currently do have a production increase brought about by the elimination of terrorism. Production levels that stood at 30 percent only recently have risen to 70-80 percent."

The Turk-Is Steering Council which began its activities yesterday under Chairman General Ibrahim Denizcier, is expected to complete its work today. It has also been announced that any decisions taken at the Council meeting will probably be made public tomorrow. It is being said that the last minute decisions taken over matters pertaining to the issue of the General Secretariate are likely to be a topic for lively debate in the days to come. After the statement from Side who maintains that no one is empowered to remove him from office, some members of the Turk-Is Steering Council said that they were of the same opinion. An official who said that the Steering Council did not have final say in the matter remarked: "Side may be considered as being on leave from his position of Secretary General. However, this would be possible only if he himself were to request such leave. The Steering Council is not empowered to remove the Secretary General from office."

Addressing the issue yesterday, Sadik Side said: "I am following a path that I know to be correct. I am continuing to fulfill both of my responsibilities. I generate work, not words. The things that are being said about me are entirely false. Written allegations that there is opposition against me within the organization have also been made. Such opposition does not exist."

In addition, while the meeting of the Steering Council was underway an announcement was made in response to a decision by the ICFTU to suspend the membership of Turk-Is in the organization. The statement maintained that "the decision reached by the Executive Board of the ICFTU is regrettable. The decision has been made in a manner that is not compatible with the charter of the ICFTU and betrays a degree of prejudice in that it does not adequately reflect current realities in Turkey. "The statement alluded to agreements reached for a massive effort to obtain a reversal of the decision and read:

"As has been the case in the past, Turk-Is will be aware of its current and future responsibilities during difficult periods for our country. Through such awareness, Turk-Is will continue to scrupulously safeguard the best interests of our country in general and of its workers in particular."

9491

CSO: 4654/134

## POLL SHOWS SUPPORT FOR GRAND COALITION

Vienna WIENER ZEITUNG in German 9 Sep 81 p2

[Text] A poll taken by the Linz Institute for Market and Social Analysis (IMAS) and published on Tuesday has found that a majority of the Austrian population, namely 57 percent, favors a coalition government. Only 27 percent expressed a preference for a one-party government.

It is also interesting to see what those favoring a coalition said about the composition of such a government. 43 percent would like to see a grand coalition, a government, in other words, composed of the OeVP and SPÖ. Ahead of all other two-party combinations, those polled were in favor of a government of national concentration which would include all three of the major parties.

So-called small coalitions did not find much favor among those polled. According to IMAS, an SPÖ/FPO government was favored by a mere four percent and an OeVP/FPO government by only three percent.

The breakdown by party affiliation of the IMAS poll also brings out interesting results. As expected, SPÖ supporters are most inclined toward a single-party government. But at the same time, most of those favoring a grand coalition were to be found among the supporters of the two major parties.

9478

CSO: 3103/444

## JUSTICE MINISTER ON BRUSSELS, REGIONALIZATION

Brussels LE SOIR in French 5 Sep 81 p 2

[Interview with Philippe Moureaux, minister of justice and of institutional reform, by Jacques van Solinge and Jean Lienardy: "'I Refuse To Separate the Fate of Brussels from that of its Outskirts,' Mr Moureaux Told Us"; date and place of interview not given]

[Text] At this time, when parliament is reassembling, it is good form for certain politicians -- and not the least among them -- to criticize the state reform enacted in August 1980. Therefore, we asked for the opinion of Mr Philippe Moureaux, minister of justice but also minister of institutional reform. From the start, our interlocutor stressed the fact that the 1980 laws still have to be completed. And the reform will make sense only when solutions have been found to the problem of Brussels and the modification of the Senate. As far as Mr Moureaux is concerned, what is involved here is the immobilism of some members of parliament from the majority, both CVP [Social Christian Party - Flemish] and the PSC [Christian Social Party - French]. As for the government, deprived of a two-thirds majority, it only has a very narrow margin to maneuver at its disposal.

Be that as it may, as far as our interlocutor is concerned, Belgium cannot remain wobbly. The rising star of socialism in the capital first dealt with the "problem of Brussels."

[Answer] The state reform will not be completed as long as solutions have not been found to the "problematic" of Brussels. This barbarous term was not chosen haphazardly. It covers the claims of the French speakers and of the Dutch speakers in the 19 municipalities as well as in the border communities; and the border communities are not limited to the municipalities with special language facilities.

[Question] But nothing has been done since the enactment of the August 1980 laws.

[Answer] True. And I deeply regret it, because it would have been more judicious to tackle the Brussels dispute by taking advantage of the grace period which followed the vote on the state reform. Now, everything will be much more difficult since the economic problems have revived the tensions between the communities. And the parliamentary commission provided for by the government agreement in order to examine the Brussels dossier, has not even been set up or installed yet. Too

many administrators -- and not all of them are members of the CVP -- believe that, as calm has returned to the capital, it would be better to dodge the problems.

This is wrong because there is a risk that there will be a shortage of time. Either we start the discussions at the beginning of the month of October, so that the government may be able to introduce a bill when parliament reassembles in January, or else everything will be postponed until after the October 1982 municipal elections, when the electoral campaign will be over.

In any case, I am opposed -- and so is my party -- to any possible delaying tactics which would allow a few crafty people, a few weeks prior to the municipal elections, to introduce a bill limited to the problem of the Flemish in Brussels alone, and excluding the protection of the French speakers in the border communities. As far as we are concerned, a truncated bill would not even be debatable. The more uncompromising the Flemish prove to be in terms of the capital, the more uncompromising we will be in Brussels.

#### Flemish Must Negotiate

[Question] What role do you allocate to the government in the future negotiations?

[Answer] The Christian-Socialist alliance does not have a two-thirds majority. This is why the government agreement provided for the intermediary step of a parliamentary commission, so as not to place the opposition before a fait accompli. Some people, such as the liberals who are candidates for the government, might think that it would be in their interest to contribute to the settlement of the community dispute.

I would add that the agreement reached by the majority parties provides for the government to take the initiative. My services have developed various alternative proposals and I would imagine that the co-workers of my colleague, Mr Chabert, have done the same. Thus, we are ready to start the talks without delay.

[Question] Do you believe in a reopening of the debate?

[Answer] Political dynamics have to come into it. If the Flemish want to obtain guarantees in Brussels prior to the municipal elections, they will have to negotiate without delay. Which is going to win? Wisdom or adventure? The fact remains that if the parliamentary commission is not installed in time, I am ready to start the discussions within the government. But any failure will mean a maintenance of the status quo at least until after the municipal elections.

In fact, everything comes down to a problem of strategy for Flanders, and more specifically for the CVP: should one reason in terms of Belgium, and run the risk of being taken for a unitarian, or should one deliberately turn toward a separatist form of government? Take a look, for example, at the current which is arising in Flanders in a very discreet, if not to say secretive, manner and which advocates "painless separatism." It is an aberration, because separatism would certainly not occur in this climate!

## Fabric of Slogans

[Question] In this perspective, what do you think about the recent publication of a manifesto calling on Wallonia and Brussels to form a "federal association"?

[Answer] I read that document with a great deal of surprise: I consider it a fabric of slogans and commonplaces. Having said this, it is after all normal that, in today's Belgium, when the big one proved to be far too dominant, as is the case with Flanders, the little one (Brussels) and the medium sized one (Wallonia) would objectively become allies. But I don't believe that for all that, the manifesto should be seen as a document for negotiation. Furthermore, this is not my intention: it should rather be said that Belgium will evolve toward a deeper form of federalism -- perhaps with abrupt movements.

[Question] You have talked about the problem of Brussels as being one of the pillars of the state reform. Is it the only one?

[Answer] No, the reform is much broader than the August 1980 laws alone. The only two pillars which are still lacking are Brussels and the reform of parliament, especially that of the Senate. Here too, my big disappointment is the immobility which paralyzes things.

[Question] Who or what is responsible for this immobility? How can we get out of it?

[Answer] It is the will of a few members of parliament who are opposed to a reform which would fundamentally modify the role and the composition of the Senate. This group had already made the original bill more fuzzy in terms of its provisions relating to the composition of the assemblies. It is, moreover, very curious to hear these members of parliament complain about the difficulty of working simultaneously in three assemblies, but who, at the same time, are blocking a reform which would eliminate all the inconveniences they are complaining about!

[Question] How can we get out of this additional blocking?

[Answer] Here again, the government's position is a very delicate one; the best solution would obviously be for the reform to come from the Senate itself. In any case, if the reform does not take place, then we will end up with a wobbly Belgium.

[Question] There is also the problem of regionalization of the administration. Where have we gotten?

[Answer] A decisive step was taken in early August when an agreement was reached within the government on the financing of community and regional administrations. But various difficulties still exist with regard to jurisdiction: some central administrations, which will remain national, are unhappy about the fact that certain powers will get away from them. There are also a few human problems inasmuch as the officials would like to know where they will be sent.

[Question] When can a solution to these last difficulties be expected?

[Answer] In terms of administrative, budgetary, and I would even say political logic, the regional ministers should have their administrations at their disposal by 1 January 1982. That seems like nothing much, but it will be a big step in the implementation of regionalization.

## PQ OFFICIAL DISCUSSES SOVEREIGNTY POLICY

Montreal LE DEVOIR in French 21 Aug 81 p 2

[Text] The Levesque government could not hold a referendum nor rise to sovereignty before the next general elections, even if the participants in the full congress of December ordered it to do so.

In an interview with LE DEVOIR the program advisor, Mr Pierre Harvey, explained that the government is morally bound by an election commitment not to hold a referendum during this tour of duty, and that the congress of the party members cannot do anything to free it from that commitment.

This matter of the terms of acceding to sovereignty will be the central point of the deliberations of the eighth national congress which the PQ [Parti Quebecois] will hold 4, 5 and 7 December in Montreal. Two other themes are likewise included in the program of the meeting: relations between the party and the government; the state and the citizen.

In the matter of acceding to power, the party's present program stipulates that this action must be accomplished "by democratic means," and the holding of a referendum is planned. The program advisor summarized in 4 or 5 hypotheses the alternatives open to the congress members of next December: a) maintain the present text of the program, which involves new elections before holding a new referendum; b) stipulate that the next election and the subsequent ones be of the referendum type; c) that the matter of acceding to sovereignty will first be submitted to a referendum-type election, followed by a "ratification" referendum; d) that the program be purged of all that hardware of the steps involved in the accession, so as to give nothing but the notion of "the democratic way." Personally it is the latter hypothesis that the program advisor prefers.

Moreover the development committee of the eighth national congress of which Mr Harvey is the coordinator recently produced a "working document" suggesting submitting the question of sovereignty to a referendum-type election and having that one followed by a ratification referendum. The vice-president of the party, Ms Louise Harel, is also a member of this committee, but like Mr Harvey she later showed herself to be unfavorable towards the idea of a ratification referendum.

After having eliminated from the party's program all the forms of the terms of the accession so as to leave in the text strictly the notion of the "democratic way,"

the congress would theoretically ask the government to present to the national assembly a bill aimed at the unilateral proclamation of independence. This is a hypothesis which Mr Harvey finds quite undemocratic, and one to which he refuses to subscribe. As a democrat he would find it unacceptable for the congress to attempt, retroactively, to cut the government loose from its election commitment not to practice sovereignty until the next elections.

All these hypotheses will undoubtedly be the subject of resolutions of associations of counties and regional groups. And the deliberations of the congress on this matter show promise of lively repartee between nationals, socials and politicals.

How is this congress going to be different and more important than the preceding one? Mr Harvey explains that this event will take place in a difficult political context during a "dangerous period" in Quebec's life, at the time when Ottawa is threatening to launch its show of constitutional strength. And because the PQ is the heir to all of the previous national movements, the political action of the members of congress will, according to him, take on a national connotation and hue, and will make itself felt as a strong point in Quebec's action, as "the affirmation" of Quebec in its efforts towards the rebuilding of a homogenous and specific society in North America.

The development committee of the congress has indicated that the party, in the forging of its program and the preparation of its social project should always make an effort to maintain a good lead on the government. It is, as a matter of fact, a new acceleration in the forging of new ideas that Pierre Harvey is expecting from the next congress of the militants. The challenge of the PQ congress, he says, is to connect itself with the two branches of the alternative: forge new ideas focusing on the future, and prescribe policies likely to add fresh fuel to the government's daily act.

In several respects the present text of the program appears too weighty, and is assuming the look of a "collection of special measures." It is within the meaning of this concern that Mr Harvey and his colleagues in the development committee of the congress are hoping that the December deliberations will not end up in an "accumulation of details." But, he advises, a rigid framework for the discussions or any kind of procedure that would deprive the party of the creativity of its members will not be allowed. In this regard he emphasizes: "In the Quebec party there is a wealth, that of the reflection and the action of the basic corps of militants, that must be guarded as carefully as one would guard a treasure."

As for the problem of relations between the government and the party, Pierre Harvey vigorously questions the claim of those who believe that it would suffice to change the structures and create the elective position of secretary general to put everything in order and have peace once and for all. If the congress elects a strong man for the position of secretary general, Mr Harvey believes that there will be a return to the situation in which the organization is "two-headed." If the congress chooses a weaker figure, he predicts that the operation will then have been in vain and that nothing will have been settled.

That is an idea to which Pierre Harvey is opposed because, according to him, the political culture of Quebec makes the people personify the chief of the party and

the chief of the government in the image of a single strong personality. To his way of thinking it is a "temptation of easiness" which leads to nowhere, and only in "the act of leading the life of the party" can the leaders of the party and the militants succeed in reducing the "real" tensions between the government and the party.

#### The Man in Charge of the PQ's Documents

Pierre Harvey did not have political ambitions. It had never occurred to him to make a career in a medium which thrived on grapevine intrigues and cynical strategies. Nor did he ever dream of plunging into actual political activism. But in 1969, as it happened, the chamber of commerce of the province of Quebec put out in the publications of LE JOUR a manifesto entitled "The Cost of Independence." The PQ had just come into being, and did not yet have any economists in its ranks. Still it needed to counterattack this manifesto which potentially could scare and keep away potential supporters of the sovereignist cause.

It therefore appealed to a professor of the School of Higher Commercial Studies of the University of Montreal. Pierre Harvey's reply appeared a few days later in the documentary pages of LE DEVOIR. That was to be the beginning of a long series of contributions to the life of the PQ.

At the end of 1977 Mr Pierre Marois, having become minister, abandoned the position of program advisor. It was at the request of Mr Levesque that Pierre Harvey agreed to be his successor. It was also by accident that he offered himself as a candidate in the general elections of 1976 in Outremont. This first suicidal adventure was intended solely to be counterbalancing with respect to the liberal economist, Mr Andre Raynaud. In the partial election of 1979 in Prevost, it was an appeal from his chief, Mr Rene Levesque, that persuaded Pierre Harvey to go sacrifice himself before Ms Solange Chaput-Rolland.

He is the author of the most important document that the PQ has published since being founded. "From Equal to Equal" was the first clear and articulate definition of what the contents of the Quebec-Canada economic association could be. In the spread of ideological trends which motivate this party, Pierre Harvey is considered a national progressist. Towards the end of the fifties in an elegant drawing-room of Outremont, two friends of long standing, Mr Pierre Trudeau and Mr Maurice Sauve, had characterized him as "right." Ever since then notions of left and right have seemed repugnant to him.

During this recent tour of duty in the position of program advisor he had expressed the intention of giving up political activeness to devote himself entirely to his career as a professor. But Mr Levesque succeeded in dissuading him. That is why Pierre Harvey's decision to request a renewal of his tour of duty surprised several people, some of whom thought they had a chance of being his successor.

9498

CSO: 3100/943

## TURKISH CYPRIOTS OFFER NEW PROPOSAL PACKAGE

Istanbul TERCUMAN in Turkish 5 Aug 81 p 8

[Text] Today or on 12 August, the Turkish side will forward a proposal package at the intercommunal talks that have been going on without interruption for the purpose of finding a solution to the Cyprus problem. The package contains a definitive and just solution to the issue. The most important aspect of the package to be presented by the Turkish side is that it contains the first map of the future Greek Cypriot and Turkish zones. The map has been prepared with the future security and economic viability of the Turkish community in mind. The villages of Louroutzina as well as Limmitis and Kokkina will be left within the Greek Cypriot zone, to the south of a boundary line to be drawn from the west to the east. The map removes a buffer zone in which the UN Peacekeeping Force is currently stationed. The width of the buffer zone varies from 7 to 20 kilometers and the zone constitutes 3 percent of the islands' surface area. In the event that the Greek Cypriot side were to accept the demarcation indicated by the map, the TSFC would remain in control of 28 to 30 percent of the island. The TSFC now controls 34.6 percent of the island.

Kokkina is a village located in northwestern Cyprus. It is located on the shoreline and surrounded by the Greek Cypriot zone. The village is linked by sea to the Turkish Cypriot Community and the outside world. The village of Louroutzina is also bordered on three sides by Greek Cypriot territory. The new proposal package addresses the issue of Varosia along with other territorial matters. An earlier proposal (November 1980) for the administration of the area by a tripartite committee is being withdrawn. Instead, it is being proposed that a section of Varosia containing touristic facilities be turned over to the Greek Cypriots. The proposal is worded so as to not endanger the security of the Turkish community and the port of Famagusta. Should agreement be reached over the entirety of the proposal package, the Turks remaining in the areas inside Greek Cypriot territory will be resettled within the Turkish zone.

The map and the territorial proposals have been prepared in conformity with the security and economic well-being of the Turkish community. The map and the proposals remain contingent upon the acceptance of the principle of full constitutional equality between the two communities within legislative and executive institutions. The constitutional solution is important in that it is directly related to the issue of territory. According to the draft constitution that is to be handed to the Greek Cypriots, the President of the prospective Republic of Cyprus is to be elected for a five year term of office. A rotation system is to be used by Turks and

Greek Cypriots in occupying the Presidency. In the event that a Turk serves as President for the first five year term, a Greek Cypriot will assume the Presidency for the following term. A Turkish President is to have a Greek Vice-President while a Greek President would have a Turkish Vice-President.

In conformity with principles determined earlier by Denktas and Makarios, the future Republic of Cyprus will be bi-zonal and bi-communal. In addition to two separate governments, the new republic is to have a centralized federal government. The Federal Government will represent the Republic of Cyprus within the international community and will include an equal number of ministers from each community. The question of which ministerial portfolios within the federal government are to be held by Turks will be addressed by future committees. In the event of basic agreement over the structure of the federal government, future committees will determine the distribution of ministerial portfolios and present their findings to the leaders of the two communities. Concurrently, another committee would work towards the preparation of an electoral system. It is expected that committee work could last approximately a year and it is being emphasized that the current system would remain in existence during the interim period.

Another aspect of the constitutional proposals to be presented by the Turkish side concerns the determination of the number of federal employees from each community and the establishment of a police force. According to the proposals, half of all federal employees would be Turkish while the same principle would apply in determining the composition of the police force. The Turkish proposals also contain the stipulation that the two federated states constitute independent economic entities. The freedom of settlement and landownership in Cyprus would become exercisable following the achievement of an atmosphere of total security between the two communities.

International guarantees constitute an important point within the proposals to be made by the Turkish side. As in 1960, it is being proposed that Turkey and Greece become signatories to a guarantee agreement. It is not expected that Great Britain would join such an agreement as a third guarantor. According to diplomatic circles in Ankara, a positive response by the Greek Cypriot administration would put an end to the former pace of the negotiations and make possible daily negotiations over the package. These would begin as soon as possible. Concern remains widespread over whether Kiprianu, the leader of the Greek Cypriot community will wish to take part in finding a serious solution to the Cyprus problem. Currently, he seems to have given the go ahead for Presidential elections. It has also been stated that it is necessary for Greece to support the Greek Cypriot side if peace is to be achieved in Cyprus and a just solution acceptable to both sides is to be found.

Since last Saturday, Greek Foreign Minister Mitsotakis has been meeting with Greek Cypriot leaders in Cyprus and conducting a fact finding tour of the Greek Cypriot zone. While addressing Greek Cypriot refugees in Nicosia and Famagusta, he reminded his audiences that "the intercommunal dialogue in Cyprus has reached a very delicate point." He said: "the solution to the Cyprus problem fundamentally includes a structuring of the issue raised by the refugees. This is the most emphasized topic within the talks. The Greek nation and government will provide all aid in its power for the achievement through peaceful means of a definitive solution to the Cyprus problem. The Greek Cypriots' struggle is a Greek struggle."

For his part, Greek Cypriot Foreign Minister Rolandis said yesterday that "subsequent to meetings with Mitsotakis, the Greek Cypriot Government is prepared to evaluate Turkish proposals that are being expected tomorrow or on the 12th of the month."

## OPPOSITION BLASTS NUP OVER NEW PROPOSAL PACKAGE

Nicosia HALKIN SESI in Turkish 7 Aug 81 pp 1, 7

[Text] Nicosia. In a written statement released yesterday, Communal Liberation Party Chairman General Alpay Durduran said that he had been consulted at 1730 hours on the previous evening by Prime Minister Mustafa Gagatay who provided him with a briefing describing the Territorial Proposal as well as the new package of proposals. Stating that the briefing and solicitation of his views had taken place at the same time that the proposals were being presented to the Greek Cypriot side, Durduran said the following:

"Before that, our views had not been solicited and we had not been asked anything. I leave to public opinion any interpretation of the fact that my views were being solicited at the same time that the Greek Cypriots were being briefed. I have found out that leaders of other opposition parties have received briefings subsequent to mine. The Communal Liberation Party has had no connection with the proposals that have been forwarded. If the proposals are successful in providing the Turkish side with sizeable international support as well as the initiative within the course of the negotiations, they (the NUP) will be entitled to take credit. However, if the contrary were to take place, it will be our duty to inform public opinion that we bear no responsibility."

Ozker Ozgur, Chairman General of the Republican Turkish Party; described as antidemocratic the last minute briefing provided to leaders of political parties. The briefing concerned Turkish proposals for a solution to the Cyprus problem. Stating that his party's internal units would examine the essence of the proposals, Ozgur said:

"Intercommunal talks represent the only solution to the problem. The attitude taken by Archbishop Hrisostomos and his likes during the talks is very unfavorable and counterproductive. It is essential for the two communities living on Cyprus to reach a federal solution as delineated by the framework of the summit agreements. This can be achieved through intercommunal talks. The Cyprus problem has reached a critical stage. A solution to the problem is dependent upon agreement between the two parties. Agreement requires give and take. It is not possible to take without giving. The negotiators should go to the negotiating table with this understanding and conviction. It is with this understanding and conviction that the Republican Turkish Party will fulfill its share of responsibility and remain constructive."

## NEW CABINET SETS TO WORK, ESTABLISHES COMMITTEES

Nicosia BOZKURT in Turkish 8 Aug 81 pp 1, 4

[Text] Soon after assuming its responsibilities, the new Cabinet has begun to focus upon a variety of issues. The committee on wage and price regulation and the committee on the filling of (civil service) vacancies have begun their activities. These committees have been formed in accordance with a Cabinet decision and will present their recommendations to the Cabinet. Economic and Finance Minister Salih Cosar has met with certain counsellors to discuss the formation and operation of the committees. Cosar is closely following the activities.

The process of repaying the 150 million Turkish Liras owed to crop growers has begun. In a meeting with officials from his ministry, Nazif Borman who is Minister of Agriculture, Natural Resources and Cooperatives has taken steps to ensure payment of the 86 million Turkish Liras owed to citrus growers. Payments to the growers are to begin by the end of next week at the latest. A cabinet meeting to be held next Wednesday will determine the size of the payments that will be made to lemon growers. A preliminary decision to pay premiums to lemon growers had been taken sometime ago. It has also been announced that a shipment of wheat has arrived at Famagusta harbor from Turkey, and is currently being unloaded. This constitutes the first party of a total of 800 tons purchased from Turkey. Efforts to secure the chemical fertilizers required by our growers are also proceeding with success. Meanwhile, the Ministry of Agriculture, Natural Resources and Cooperatives has leased a stone quarry to Is-Koop for a period of five years. The stones to be produced at the quarry will be used in the construction of public housing.

Efforts are underway for the distribution of the fruit orchards obtained from the Directorate of Pious Foundations.

The Ministry of Constructions and settlements has been leading these efforts and Minister Ozal Tahsin has announced that the distribution of the orchards to those entitled would begin next week.

Minister of Health, Social Affairs and Labor Irsen Kucuk has toured all sections of the Nicosia State Hospital on a fact finding mission. Kucuk took steps for the immediate procurement of certain equipment not available at this time in some of the operating rooms. He also issued orders for the repair of the hospital's ventilation system. On Monday, Kucuk will visit the Famagusta State Hospital. He is expected

to quickly complete his inspection tour of health service facilities, to take necessary steps for the fulfillment of various needs and to determine the issues to be raised within the cabinet.

Minister of Public Works, Transportation and Tourism Mehmet Bayram has toured Ercan State Airport. He has taken necessary measures for the resolution of certain problems and consulted with officials on the job. Bayram also ordered the beginning of repairwork on the Goufos-Psyllatos highway before the advent of the winter season. A highway department work crew is currently in the area and working on paving the highway.

Promptly after having taken over the ministry, Minister of Education, Culture and Youth, Hakki Atun has begun to address the problems confronted by the younger generation. Keeping a pre-established schedule, Atun has begun to tour the various youth associations. His first visit was to the Ping-Pong Association where he conducted studies and spoke to young people for the purpose of determining their needs and listening to their requests. In the days to come Atun will be touring the other associations. Atun has expressed close interest in the status of the Institute of High Technology and reviewed the latest activities towards making the Institute an effective component of our educational system.

Minister of Commerce, Industry and Energy Esber Serakinci has met with the Steering Board of the Chamber of Manufacturers. Next week, he is expected to meet with the Steering Board of the Chamber of Commerce. Elsewhere, Kenan Atakol has had his first meeting with District Administrators and Department Heads since becoming Minister of the Interior, Foreign Affairs and Defense.

9491

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## 'DIE ZEIT' ON HAIG VISIT, ANTI-AMERICANISM

DW180729 Hamburg DIE ZEIT in German 18 Sep 81 p 1

[Editorial by Theo Sommer: "Haig in the Hail...and Shots at the U.S. General"]

[Text] The terrorist attack on the supreme commander of the U.S. Army in Europe, the mass demonstrations against the American secretary of state in West Berlin which contained violence, and the critical remarks by the federal chancellor in Rome on the Reagan government's practice of consultation and its economic policy—all these events will be considered the same and also labeled "anti-American" only by those who like to oversimplify.

The attempt on the life of General Kroesen—which was the 10th attack against Americans and U.S. installations in the Federal Republic this year—is part of that chain of insidious crimes with which a few dozen of desperados, the scattered remnants of the old red army faction and some new recruits, are trying to resurrect and revive their hopes. All decent citizens are only filled with disgust. The legitimate authorities will have to counter these successors to Ulrike Meinhof and Andreas Baader with the same firmness as with the first generation of terrorists. Likewise the full severity of the law must be applied against those anarchists who take advantage of any kind of demonstration as a welcome occasion for bloody riots.

Peaceful rallies are something quite different. Even if you consider it to be incomprehensible or imprudent for demonstrations against the United States to be staged in West Berlin of all places, which, without the Americans would have been swallowed up long ago by the Soviets, there cannot be the slightest doubt that such demonstrations are allowed in a democracy. The constitution also protects manifestations of ignorance. It does credit to Alexander Haig that he did not view this differently and that he even took the demonstration against his country and its policy as a compliment and proof of democratic vitality. He said that it had been worthwhile to protect Berlin's freedom. Those are great words said with composure.

Had there been only a bit less composure then there would be American-German disagreement today as it has not existed for quite some time. Nevertheless, it is not comforting to note that similar incidents had happened before. At that time,

too, the Americans reacted as calmly as Haig did now. But this is almost an exception. Many of his fellowcountrymen are edgy, hot-headed and overbearing. If the Germans give them the cold shoulder, then a "to-hell-with-them" attitude could easily prevail. Signs of this already exist in journalism as well as in politics. But we must not concern ourselves with a breach, but rather must be interested in overcoming Atlantic differences.

This, of course, must not degenerate into dull devotion to Reagan. After 8 months now, the president to a large degree is still living from his campaign rhetoric. This frightens Europe, and not just the Germans. This will be mitigated only if pragmatic policy assumes concrete form. This is exactly the weak point. Many Americans, by the way, are of the same view. Thomas Hughes, president of the Carnegie Foundation, for example, charges the administration with disturbing on the basic consensus of the Western alliance, and he characterizes its line as follows: "Defense without detente; armament without arms control; reduction and cancellation of international economic obligations (toward the Third World) without any concern about the consequences for the people; an obvious militarization of thinking." Helmut Schmidt's criticism of the American high interest rate policy (which Reagan refused to tolerate and this caused the only discord during Haig's Bonn visit) likewise is presented in a much sharper way in the United States than it is over here. It is also the view of many American observers that a new attempt is required to achieve agreement in the Western camp once again.

Berlin has always been a symbol of Western policy. First, it was a symbol of determination and steadfastness in the face of infringements from the East. Later on it symbolized the value of detente diplomacy (Haig: "The quadripartite agreement reminds us of what East and West can achieve through negotiations"). During his visit to Germany, the U.S. secretary of state has certainly come to realize that without an American readiness for detente, the psychological ground would be cut from under the foot of any policy of steadfastness. On the other hand, some of his critics perhaps are pondering his statement to the effect that it is aggression which endangers peace and not attempts to defend oneself against it. It is in this respect that Berlin now also symbolizes the need to reassess the terms "armament" and "detente" in the Atlantic alliance.

CSO: 3103/3

PLANNED ANTI-TNF DEMONSTRATION DIVIDES SPD

Hamburg DER SPIEGEL in German 21 Sep 81 pp 19-21

[Article: "'That Will Light Up the Landscape'"]

[Text] In the SPD the tension between Chancellor Schmidt and the critics of his security policy is increasing. The latest point of dispute: A peace demonstration in Bonn on 10 October. The deputy party chairman is even considering the possibility of forbidding associates to appear at the demonstration. A new stress test?

Erhard Eppler wanted his chancellor to tell him just how he was interpreting the utterances of the U.S. secretary of state in Berlin.

He, Eppler, had understood Alexander Haig as indicating that he was far more concerned about counterarming than about disarmament negotiations with the Russians. That did it.

Helmut Schmidt fired away. While mentioning Eppler and Saarland SPD Chairman Oskar Lafontaine by name, Schmidt was aiming at all those associates whom he blames for the growing opposition to his security policy and whom he accuses of collaboration with the extraparlimentary peace movement. Not subjectively but objectively, the head of government gave to understand, the "Epplers and Lafontaines" were playing the Soviet Union's game. "What you have set in motion is quite dangerous," Schmidt said.

This set the guideline according to which influential politicians of the coalition--with Schmidt and his deputy chancellor, Hans-Dietrich Genscher, in the lead--last week in unison with the opposition in Bonn, lumped together peaceful peace demonstrators with the rioters during the Haig visit, the persons who planted the bombs at Ramstein, and the Heidelberg assassins.

Hardly anyone bothered to draw any fine lines of distinction.

As far as Helmut Kohl was concerned, once more "what Brandt and Bahr had sown had been reaped." The CDU Chief saw "SPD and FDP members in a popular front against the Americans."

As for the chancellor and his faithful, according to one Schmidt aide, "the only thing left that counts is the public effect of the image of those vandals, who internationally are regarded as the climax of Berlin's Haig demonstration initiated by the Social Democrats."

No wonder that in such a heated atmosphere the people in Bonn suddenly are afraid of an event which previously they have hardly taken note of, or at most smiled about. On 10 October something like 150,000 demonstrators are expected to gather in the Hofgarten in Bonn from the Federal Republic and several neighboring countries to demonstrate "for disarmament and detente in Europe." Initiators of the mammoth gathering are the church "Aktion Sühnezeichen/Friedensdienste" [Service-for-Peace Action Group]. Last week more than 600 organizations, including the DKP, signed the call for participation in the demonstration.

The list of speakers includes, in addition to the former governing mayor of Berlin Pastor Heinrich Albertz (SPD) and member of the Metalworkers Union Executive Georg Benz (SPD), two prominent adherents of the SPD-FDP coalition, Erhard Eppler and FDP veteran William Borm. "This demonstration aims at the heart of the SPD-FDP coalition," FDP Secretary General Guenter Verheugen said with concern.

Hans-Dietrich Genscher inveighed so violently against the meeting in the FDP Presidium as to cause a participant to complain: "That was bad. He is now counting Eppler and Borm among the spiritual fathers of the riots."

Helmut Schmidt did not learn about Eppler's planned appearance until early last week. His first reaction: "The dreamer!"

In the cabinet Defense Minister Hans Apel stirred up anxiety over 10 October. He feared for the security of his ministry on the Hardthoehe in Bonn that day. After all, there had been attacks on installations of the Bundeswehr [federal armed forces] of late.

FDP Minister of the Interior Gerhart Baum did make a sincere effort to make the discussion an objective one, saying that the attack on the supreme commander of the U.S. Army in Europe, Gen Frederick Kroesen, had been the work of terrorists and had a long history, ranging from the bomb attack by the Red Army Faction on the Heidelberg headquarters in 1972 to the assassination attempt against the then supreme commander of NATO, Alexander Haig, in 1979. Said Baum: "They did not wait for Eppler."

But Baum's intervention in the cabinet remained just as ineffective as a talk between the minister of the interior and the chancellor. Schmidt warned against lenience toward instigators of unrest of all sorts lest one be mentioned in the same breath with that "rabble."

Baum's reply: "Then we must stop demonstrating, for the rabble goes along with all demonstrations."

The chancellor remained adamant. In conversation with associates, he announced last Wednesday that he was considering imposing on the party executive an "irreconcilability resolution" forbidding Social Democrats to appear at the Bonn demonstration. Such SPD members would have to expect to be expelled.

Expelling leftist comrades such as Eppler, Albertz or Benz would face the party with a new stress test, however, and might even split the SPD.

In the Bundestag Schmidt warned explicitly on Friday: "To the politicians who, claiming a basic right on the basis of Article 5 of our constitution, make speeches at such demonstrations, I would like to say that they also must always consider the undesirable consequences, that they must take organizational precautions against abuse of their demonstration in order to be able to account for what is made of the matter as a whole."

And to an--almost made to order--interjection by Herbert Wehner, "That also applies to 10 October here in Bonn," he replied succinctly, "I agree with you, Colleague Wehner."

The SPD managers in Erich-Ollenahuer-Haus in Bonn as yet do not understand why the chancellor, after first calmly accepting the anti-Haig demonstration, suddenly is stepping up his action. Does he only want to intimidate the critics of his security policy with this threatening gesture? Or is it his intention already, half a year before the Munich party congress, to force the SPD to choose between him and the "Epplers and Lafontaines"?

After all, the chancellor has pledged that he will resign in the event that his party abandons the SPD-FDP government line in Munich and demands abandonment of the NATO two-track decision.

After the row with Schmidt on the executive, Eppler made it clear that he, for his part, would stick to his course. He said: "If the people in Bonn go on this way, we will have a Berlin result in 1984 anyway (SPD: 38.3 percent). Then it makes no difference either whether the coalition ceases half a year sooner or later. That is not my problem."

He said he assumed that "a five-digit number of Social Democrats" would travel to Bonn on 10 October. "This peace demonstration will light up the landscape quite a bit."

The planners in Bonn meanwhile figure that time will work in Helmut Schmidt's favor. If the Americans and the Soviets adhere to their schedule, they will have talked for 4 months by the time the Social Democrats gather in Munich in April. "Then," says a Schmidt aide hopefully, "it might already be clear which weapons systems are to be the subject of negotiation." In such a phase, with everything still in a flux, the party congress would not be in any position to reach a definite judgment about counterarming.

In opposition to the skeptics in his own party, Schmidt is adamant in his view that the Americans want to seriously negotiate. He learned with satisfaction that last Monday Haig followed an express wish of Schmidt's by confirming that Washington, too, regarded the zero option demanded by the Social Democrats to be a component of negotiation in talks with the Russians "under ideal conditions."

Moreover Haig assured the people in Bonn that, notwithstanding domestic U.S. resistance to the stationing of the new U.S. intercontinental missiles on U.S. territory,

these were remaining "pillars of land-based deterrence." This, Schmidt hopes, deprives the West German critics of an argument against the stationing of "Pershing 2's" in the Federal Republic.

Past objections have been that if the Americans wanted to station their MX missiles on ships or planes rather than on fixed launching ramps in their own country, they also could store their new Eurostrategic weapons outside centers of population. The head of government hopes for additional benefit from his carefully staged visit diplomacy. Helmut Schmidt intends to burnish his reputation as dialogue-ready go-between again in West and East:

--Before or after the North-South summit in Cancun, Mexico, a meeting between the chancellor and U.S. President Ronald Reagan has been scheduled.

--In the second half of January 1982, Schmidt will go to see Erich Honecker in East Berlin and (that is the way it has been agreed) to another GDR town of his choice.

Above all, however, Schmidt is counting on the support of a European comrade. On 7 and 8 October he will visit President Francois Mitterrand in his vacation home at Latche in the south of France. The chancellor hopes that Mitterrand, who is also greatly respected by leftist Social Democrats, might be in the best position to make it clear to doubters in the SPD that the West needs counterarming.

As early as mid-July in Bonn, the German Social Democrat and the French Socialist had agreed that in medium-range weapons the alliance was clearly inferior to the East.

The chancellor admitted that he had no trouble making this clear to the conservatives in the Federal Republic. There was trouble, he said with some people in the government parties, the SPD and FDP themselves, but particularly with the "revival movement" [Erweckungsbewegung].

Others, however, think that the people whom Schmidt judged so negatively vis-a-vis his guest from Paris are the very voters whom the SPD must not write off by any means. SPD Presidium member Hans-Jochen Vogel demanded at a meeting of the executive Monday last week that the party "make good an omission and concern itself on a broad front" with the part of the peace movement "which fits into political life." Willy Brandt sees it the same way. The SPD chairman is even considering a public demonstration: he might put in an appearance as a speaker at the Bonn demonstration on 10 October--even if he runs the risk of being expelled from the SPD.

8790

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## BERLIN FDP PLANS ACTION AGAINST PARTY DISSIDENTS

Hamburg DER SPIEGEL in German 21 Sep 81 p32

[Text] The "motion" addressed to the Land arbitration tribunal of the Berlin FDP consists of 27 pages and reads like an indictment. "The opponents to the motion," it says, "have seriously damaged" the reputation of the party.

The Berlin liberals, at odds as it is, are faced with a new dispute. The FDP presidium (in making the motion) is taking the FDP fraction (opposing the motion) or at least five out of seven FDP deputies in the city parliament to task.

The bill of particulars agreed upon Sunday before last behind closed doors at the Park-Restaurant Suedende was sent to the quasi-defendants last weekend-- to fraction chief Horst Vetter, to his deputy Walter Rasch and to Guido Brunner, Juergen Dittberner and Edgar Swinne.

These are the five members of the city parliament who enabled Richard von Weizsaecker on 11 June to form a CDU minority city government.

The motion for a disciplinary proceeding against almost the entire fraction is without precedent in the FRG's history of political parties. But it will certainly not help the Berlin FDP to overcome its internal crisis.

What once was a self-confident, small party has been at loggerheads ever since the SPD and FDP failed to obtain an absolute majority in the elections of last spring. The liberals themselves barely made it into parliament, collecting just 5.6 percent of the vote.

The dissension centered around the question of how the reduced party might best gain "credibility" among the voters: by unqualified opposition or, for reasons of state, by entering into a coalition with the CDU which by itself was unable to form a government.

The leftwing majority of the Berlin FDP came out in favor of opposition. At a party congress less than a month before the formation of the new Senate, the FDP voted 134 to 93 against "supporting or tolerating a CDU-led Senate in any way whatever."

But the five "dissidents," as the Berlin LIBERALE ZEITUNG called them, decided to exercise their "free" conscience as deputies and, with the explicit support of the Bonn FDP leadership, helped hoist CDU Baron von Weizsaecker and his team into power while leaving the door open for a future coalition.

The authors of the indictment, Land presidium members Gerhard Moritz Meyer and Harald Loch, feel that the public relations image of the FDP will be a negative one for years as a result of the incident which they characterize as a "fundamental violation of order within the party."

But as to how the "guilty" should be punished --whether they should be "divested of party offices for lack of discipline" or even "expelled"--that should be left to the discretion of the tribunal.

The two presidium members provide the basis for various degrees of censure. On the one hand, they say that the dissidents can in no way be considered as "individuals possessing so high a level of political discernment as to be above intra-party democratic rules" but are bound by the "intra-party decision-making process" like all other party members-- which sounds like a plea for a harsh verdict.

On the other hand, they say, there is no denying that a political party can hardly force its deputies "to vote in a particular way oriented to the will of the party"-- which sounds like a plea for something like acquittal.

Perhaps the fraction will soon make the tribunal think in terms of leniency because it has no intention, as one of the dissidents put it, of "providing cover for Weizsaecker's fiscal policies without a word" and to accept the eviction of squatters from eight buildings planned for this week.

One of those named, former mayor Guido Brunner, will be hearing of the tribunal's verdict in some faraway place. Last week, he resigned his Berlin seat in order to accept the post of special envoy in the foreign office.

Deputy fraction chief Rasch, another one of those named, a veteran of the Berlin liberals' trench warfare, seems to anticipate a lengthy battle. In the course of internal discussions on the fraction's 1982 budget, he proposed adoption of a new budget item under the title of "legal protection" to cover "lawyer's fees, etc."

9478

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## COALITION BEGINS POLITICAL SEASON DIVIDED ON ECONOMY

Helsinki SUOMEN KUVALEHTI in Finnish 21 Aug 81 pp 24-27

[Antti Blafield: "Government Coalition Party Secretaries Explain How Life Will Be After the Fall Is Over"]

[Text] "Objectively viewed, the government's opportunities for action are moderate. This naturally does not exclude the possibility that there might not be subjective judgments in some areas that would lead to another kind of situation," the prime minister's secretary, Paavo Lipponen, feels about the Koivisto cabinet's situation.

"Objectively" means that for a long time now drawing up the budget has not been a shadow-boxing contest among wage-policy-making partners. "Subjectivity," on the other hand, means that the political climate has become inflamed and unstable.

"In Center Party circles they are inflating themselves. They either intend to withdraw from the government or make life in it difficult for the other partners," Social Democrat party secretary Erkki Liikanen feels.

"It looks as though this fall will be a restless and bad one. The Center Party probably has two objectives. It will either conduct the budget debate so as to end in an impossible situation, so that nothing will come of it, or, the Center Party feels, since the Social Democrats and the People's Democrats are not anxious to bring the government down, it can squeeze the highest possible price out of them [for keeping it together]," SKDL [Finnish People's Democratic League] first secretary Jorma Hentila said.

"I would encourage our brothers on the Left to put it to a vote and breathe deeply. Thinking of a worrisome fall, there is the fact that, even before we have been able to begin to thrash out the budget, some people are trying to find us guilty of something that has not even happened," Center Party party secretary Seppo Kaariainen replied.

"I have reason to be optimistic. In the spring the prime minister gained a lot of experience, so the government will certainly not easily fall. We have no intention of building on the basis of a controversial issue," Swedish People's Party party secretary Peter Stenlund believes.

## "We Ought to Build a Bridge of Life"

The four government coalition party secretaries have spent the whole summer pondering the government's resources. The committee that has been meeting under the chairmanship of Paavo Lipponen was appointed during the government coalition party leaders' conference held at the end of May and in early June.

At the Social Democrats' 1 May celebration in Helsinki, Kalevi Sorsa had rendered an account of inflamed feelings by stating that government funds had run out. Mauno Koivisto felt that perhaps they had not run out but that there was at least not much left.

The committee was assigned the task of estimating the amount of funds left following a difficult spring and a long-term government coalition. "During the year and a half that we may still have, we ought to build a bridge of life out of those points in the government program that have not been carried out," Kaariainen said. "We will not step outside the present government program."

The parties of the Left would gladly have discussed government coalition resources more extensively but the Center Party did not want to write any new, additional proceedings into the government program.

The party secretaries have gone through the current government program, examined what has been accomplished and what has not been accomplished. "Quite a lot has been accomplished or is being done," Hentila felt.

The most important items on the list of some 20 items were employment, housing and family policy. The party secretaries did not tackle next year's budget. The general economic policy was also too big a chunk to swallow at the secretary level.

Government party leaders examined the results of the secretaries' work on Tuesday, 20 August.

### Youth Pension Payments Eliminated?

In the field of employment the party secretaries concentrated on youth unemployment. The committee raised the idea of investigating whether it would be possible to cut down on indirect labor force expenditures. This could, for example, mean the elimination of young workers' pension payments.

"This would also force employers to take a position and demonstrate whether they really want to tackle the problem," Liikanen said.

The committee also considered extending the apprenticeship contract system "because the problem with young people is often a lack of job experience," Lipponen argued.

Seppo Kaariainen also felt that one source of help might be an increase in part-time work in public administration. The parties of the Left did not willingly approve of the proposal because the trade-union movement opposes an increase in part-time work.

Jorma Hentila demanded more effective job-placement guidance and job protection.

"Right now employment could be supported by creating permanent, lasting jobs with the backing of small and medium-sized industry," Kaariainen said.

"We have to allow for more room for investments. The business property tax must not be increased and the turnover tax reduced or even entirely eliminated," Stenlund proposed.

#### Unanimity "in Principle"

The party secretary committee's problem was that it could not take on the budget. This forced the secretaries to propose more or less vague solutions or else those of such a general nature that they contain the makings of many a dispute.

In practice the direction policy will take will be resolved in the budget. The direction family policy will take and the emphasis on employment policy will finally become clear in the various provisions of the budget.

"So, the secretary committee was very constructive because there were young party secretaries on it who willingly look to the future," Lipponen, who headed the committee, felt.

One sign that the barometer is moving in the direction of better weather is the unanimity in principle as to the need for creating a ministry of environment.

"From the present outlook, appropriations for the creation of the ministry could perhaps be gotten into the 1983 budget," Lipponen felt. "Opinions on the scope of activities of the ministry to be created, however, differ." The dispute revolves about the question as to whether it would become a limited protection ministry or a broad environmental authority ministry which would cover those areas of government that are directly involved with the environment, right up to and including housing affairs.

"The broadest possible alternative may be excluded, but it must in any event be one that can be acted on," Lipponen said.

Another bone, on which there is enough meat for the government parties to chew, is the tax policy. The secretaries adopted no position on changes in the tax system, but the committee did consider the possibility of forming a party-level committee composed of economic experts to determine whether a common direction for tax reform can be found. Only after examination by this small committee would it pay to present a tax system to the government.

The secretaries did not contemplate any significant concrete changes in the tax system. A practical proposal was presented, namely that obligatory reporting of income tax be eliminated for certain groups, for example, some pensioners.

The third issue is also a principled position in which there is room for many a disruptive quarrel. The secretaries considered decentralization of the government to lower levels. In practice this would mean that they would set about explaining how decision-making in government domains could be brought right down to the municipal level.

## Hot Trio

The party secretary committee began to look for a shot in the arm for the government, a favorable profile for a low profile. While millions are caught in a bind and are under the pressure of unemployment, peas for a solution and unanimity "in principle" are not very encouraging.

And a possible proposal to submit the last name bill to Parliament, a possible special television channel for Swedish-speaking Finns or a possible increase in support for home care certainly do not help matters much either.

A regular power struggle is going on over the balancing of the national budget. "It's a trio composed of borrowing, taxes and expenditures. It would be preferable to prune expenditures than to increase loans, to say nothing of taxes," Kaariainen concisely put it.

"The problem is the tightness of the budget. We can't make any big changes in it," Lipponen said.

"A tight point of departure is the right way to go about it. But at the same time we should prepare for recovery measures. There is no reason to follow the path Reagan has taken; rather the budget should be a neutral one," Stenlund proposed.

"Now that we are entering a recession, the demand for a tight budget has become stronger. If this becomes a philosophy, we will then be taking a step in the direction of Reagan's way of thinking," Liikanen said. "Borrowing does not unambiguously have to be reduced during a period of recession, rather perhaps even increased. Helge Haavisto has given us a very good rule of thumb: Things have to be tight during an economic high."

"The saddest administration of the 1970's, the Miettunen emergency government, fell precisely because, when it entered a recession, it cut down on investments and borrowing," Liikanen said.

Mauno Koivisto has not every so often taken a stance on even the sharpest budget discussions, preferring instead to mold policy up to 1983 at which time the next wage policy agreement is to be signed and when, at the latest, parliamentary elections will be held. The government will survive this fall, Koivisto believes, "if only we do not raise the hurdle bar," they say the prime minister added.

"When we look at the positions the parties assumed this summer and disregard individual statements, these positions have been quite moderate," Lipponen maintained.

"I would say that the number of statements that are constructive in terms of the government is at least as large as usual if not more than the usual number. The will to carry on is dominant among us in the Center Party," Kaariainen said, but at the same time demanded that there be "equality in dealings among the different government coalition partners" and "a policy of action."

"The spring round of wage policy debates has left its scars inside the government. The spring round personally strengthened Koivisto's position. The SKDL's appraisal of Koivisto is still the same: We can negotiate with him," Hentila felt.

"The prime minister's position is a strong one, particularly that of the prime minister now in office," Liikanen lashed out.

11,466

CSO: 3107/127

PAPANDREOU: 'NOT ONE INCH OF TERRITORY TO TURKS'

Athens ATHENS NEWS in English 15 Sep 81 p 3

[Text] "Prime Minister George Rallis has no right to speak in ways that defame the President of the Republic and shake the country's system of government," PASOK leader Andreas Papandreou told newsmen after his speech at a party rally before an exceptionally large enthusiastic crowd in Mytilene on Sunday night.

Mr Papandreou was referring to the Prime Minister's presence in Thessaloniki on Saturday evening.

In a further accusation of Mr Rallis, he said that as soon as his party comes to power, they would tell the Greek people the whole truth about the country's economic situation, adding that the 150 billion drachmas tax evasion constituted the "scandal of Europe."

Replying to the leader of the Turkish junta, General Kenan Evren, Mr Papandreou said that Greece claims nothing from Turkey and only desires peace. But it will never give away even one inch of its territory, or its sea, undersea and air space.

Admitting that he had condemned the Greek-Turkish dialogue, he pointed out however, that good will gestures of the government are to be denounced as they endanger Greece's national rights.

Earlier, in his address to the rally, Mr Papandreou covered a wide spectrum of his government manifesto, attaching special weight to the PASOK effort for the development of the border regions, which, he stressed, had been abandoned by the Right. He referred also to education, health and decentralization, and agricultural policies to safeguard Greek produce.

The PASOK leader reiterated an earlier statement to the Athens daily TA NEA about the establishment of a Youth Ministry to deal with the cultural development of young people.

He repeated he would abolish the Panhellenic School Examinations to democratize education and to do away with the "professorial status quo."

He also stressed the need for the Greek resistance movement during the Second World War--EAM and ELAS--to be recognized so that the division of Greeks into nationalists and non-nationalists be ended.

He referred to support he claimed his government would enjoy from both socialist France and the Arab world and promised a referendum on the EEC issue.

#### Government Reply

A government source, replying to Mr Papandreou's speech stressed that it is an accepted fact for the Prime Minister to deliver a speech at the Thessaloniki International Trade Fair on the present economic situation of the country and its future economic policy.

The speech was broadcast in the past by both the Greek Radio and Television (ERT) and the Armed Forces Radio and Television (YENED). This year following a personal suggestion by Mr Rallis, the speech was transmitted only by ERT. The PASOK leader, however, claimed abuse on the part of the government regarding the transmission of the speech.

In his speech, Mr Rallis referred to the President of the Republic only to recall that he is the only one entitled to the great honor of the country's accession to the European Communities. The attributing of this honor cannot possibly be considered as an effort on the part of the Prime Minister to entangle the President of the Republic in the re-election confrontation. It is regrettable to ascertain that PASOK's anti-European wrath leads it to blunders.

The government, the same source said, is not surprised by Mr Papandreou's way of criticism of the government for he is aware that his hopes of acceding to power are groundless. The people, in their great majority firmly follow the New Democracy.

CSO: 4600/8

## NEW DEMOCRACY ISSUES PARTIAL CANDIDATE LIST

Athens O OIKONOMIKOS TAKHYDROMOS in Greek No 35, 27 Aug 81 pp 9, 38

[Article by Nikos Simos: "New Names by Area for New Democracy Candidates"]

[Text] Making the date of the forthcoming elections official inaugurated the pre-election period formally. In substance, this period had started several months ago when the government measures, or at least some of them, could be described as grants or when the declarations of the leaders or of the parties had pre-election acidity and objectives.

The official kickoff dates of the two large parties have already been announced (5 September from Patras for PASOK [Panhellenic Socialist Movement], 19 September from Thessaloniki for ND [New Democracy]). Even the makeup of the candidate lists has progressed. Basically, the candidates who will claim the vote of the electoral body have already been chosen.

The announcement of the date for the elections put a stop to the "constitutionology" concerning the solution that would have been chosen for the dissolution of parliament, since the resignation of the government that is expected by the middle of September, after the opening of the Fair in Thessaloniki, does not chastise the subject (at least as far as this column is concerned) of the premature dissolution of parliament. The only objection made by POLITIKI EPIKAIROTIS, an objection that originates from the conviction that the present form of government needs an even longer period of establishment, because its enemies are lurking, is that the constitution was made by both experts and laymen to appear as something of an "obstacle" in the forthcoming electoral fight.

Because the Supreme Leader would want to or should want to maintain his privilege to dissolve the new parliament during the time elections are held. (Our readers are reminded that, on the basis of the constitution, articles 41 and 4, the new parliament cannot be dissolved until after it has been in session for one year, if the previous one was dissolved prematurely, unless it has voted against two governments.)

The basis of this reasoning is used to explore both the method and the procedure for dissolving parliament, ignores many of the more substantial factors. The most basic is not whether the president of the democracy has the power to dissolve parliament within a year. Because in case such a need arises, exactly as the reasons for dissolution are mentioned restrictively, the personal prestige of the president

does not suffer if he cannot dissolve parliament and proclaim elections. The nation suffers by entering into dangerous adventures. One way or the other, however, and in any case, whether or not a self-powered government has been formed, the alternative solutions provided the supreme leader by the constitution, such as a plebiscite, equalize the lack of power for dissolving parliament within a year. With the resignation of the government, the parliament of 1977 is dissolved prematurely. Even if it is only one and a half months before the end of the normal term of parliament.

With this subject that was debated in the newspaper columns for weeks now over, next week the two big parties will engage in the fight formally, after taking care of certain loose ends by the end of the month. Both PASOK and the New Democracy, on the basis of their own appreciation of their present electoral power and given the fact that the entire remaining political world will have difficulty in obtaining 25 percent of the vote (because of the political tactics the two parties have used, of course), will claim a total percentage of 75 percent. The difficulty, objectively and beyond party emotions, in claiming the larger part of this percentage, becomes even greater for the two parties, because a plurality is not enough to take over the government. They must succeed in getting enough votes over the other party so that they can form a self-powered government. This is true because with the system of the reinforced proportion with only two parties in the second distribution, the distribution of the votes will be done as if the simple proportion system is used. Therefore, the first party must secure a percentage of more than 10 percent over the other party.

In going after the votes, the two big parties seem to meet in the same area, since both the ND and PASOK aim for the larger portion of the 600,000 voters of the center and the 450,000 newly registered voters, while the party of the honorable opposition believes it can claim a section of the protesting (or disgusted) followers of the governmental array.

This effort of the two parties is perhaps more apparent, beyond their declared platforms and government policies, in the composition of their list of candidates. Starting with the New Democracy (as long as PASOK will make its final choice and approval of the candidates on 8 September during a special meeting of its central committee), the choice of its preferred candidates indicates that it is giving a great deal of importance to the extreme right and the center by using the following tactic: in areas where the predominant ideological credo is extreme rightist or royalist, even if there are important officials "of a center origin," it prefers to promote whatever politicians it managed to incorporate from the "Nationalist Array." The exact opposite is occurring in electoral areas with a center tradition.

What is evident, however, is the poor expansion of the ND in names and electoral strength that represent the large cities, e.g., the A and B precincts of Athens, the B precinct of Piraeus, and in Thessaloniki. Up to the time this analysis was being written, the governmental array shows a "paucity" in strong political personalities in the big cities.

#### New Names in the ND

By area, the expansion of the ND with people from the "Nationalist Array" and the center are the following (contingent upon the approval of the names by the chief of

the ND at the end of the month): of center origin in the B precinct of Athens, the former director of the office of N. Bakopoulos, A. Karambelas, the lawyer and former soccer player, member of the EDIK [Democratic Center Union], in 1977, Mr. Ar. Kamaras, and possibly the former special counsel for the prime minister, Mr. V. Vasilatos.

In the Nome of Evros, expanding to the center, but without many possibilities (yet), Mr. A. Spyroudis.

In the Nome of Ileia, in addition to Mr. A. Kanellopoulos whom the governmental array is projecting as the most important name for expansion to the center, two more names are mentioned who aspire to claim many extreme rightist votes for the ND in this Nome. They are Mr. A. Kritselis and Mr. St. Stefanopoulos, both from the EP [Unifying Faction]. Some reservations should be held, however, until the last moment, especially for the latter, in case the famous "National Front" is formed.

In the Nome of Karditsa, center and extreme right expansion will appear equal in the ballot of the N.D. Center people are Messrs. St. Allamanis and Th. Anagnostopoulos. Coming from the "National Array" are present parliament member Mr. G. Papaefthymiou and Mr. D. Thanopoulos.

In the Nome of Kozani, the ND will rely on the center identity of Mr. Mikhalis Papakonstantinou.

In the Nome of Lakonia, Messrs. K. Giatrakos and Grafakos will cover the center and extreme right, respectively.

In Larissa, the "center identity" of the ND will be pursued by Mr. Mamonas, since the health of Mr. D. Kardaras does not clarify what he will do. It is very likely that Mr. Khr. Kitsidis from the "National Array" will be a candidate.

In the Nome of Lefkas, Mr. A. Kolkanis, a center man.

In the Nome of Lasithion, Mr. I. Sergakis, parliament member of the E.K. [Center Union/ND] in 1974 and of EDIK in 1977.

In Corfu, Mr. Ap. Kogevinas, first in votes for the EDIK in 1977.

In the Nome of Preveza, Mr. D. Gougorelas, coming from the EP.

In the Nome of Serrai, Mr. Ang. Angelousis, parliament member of the EK/ND in 1974 who is supported by Mr. Achilles Karamanlis.

In the A precinct of Piraeus, the ND will claim the center vote with Mr. Sot. Papapolitis, former general secretary of the Ministry of Conservation and Environment, and Mr. St. Biris, presently parliament member and formerly minister under Georgios Papandreou.

In the B precinct of Piraeus, there is a lack of expansion to the right by the ND, since the governmental array can cover it with some of its present parliament members. The center men here are Mr. N. K. Papapolitis and Mr. I. Iosifidis, member of the ELIK in 1977.

In the Nome of Aitolokarnania, Mr. Th. Khoutas is the center man of the ND.

The center role in Attica will be played, perhaps, by Mr. K. Papaspyrou, who has broadened his horizons and who was a former parliament member for the Nome of Evrytania with the Center Union.

In the Nome of Voiotia, the ND most likely will present two people for expansion from the EP. They are Messrs. A. Liasko and K. Katzelis.

In the Nome of Euboea, the ND is talking about Mr. M. Stefanidis, but it is not very likely to happen.

In the Nome of Arta, the parliament member of EK/ND in 1974, Mr. D. Rizos, who served as director of ELTA [Greek Posts].

In the Nome of Arkadia, Mr. A. Sekhiotis, presently mayor of Tripolis and parliament member of the EK/ND in 1974. The problem is that Mr. Sekhiotis wishes a spot on the ballot of the Europarlament members or the Council of State, while the ND wants to exploit his strength in the Nome. One person for expansion from the extreme right for the ND is Mr. Ath. Pavlopoulos, an old parliament member of the Rally and the ERE [National Radical Union].

In the Nome of Akhaia, the candidate appears to be Mr. M. Malevitis, who comes from the "National Array" and who, it is said, is supported by Mr. K. Stefanopoulos.

In the Nome of Drama, many who are in the ND would like to see Kl. Damianos as a candidate. He has significant strength in the area, but also has the "defect" of having served as "minister" of Labor under Papadopoulos. Mr. Akh. Karamanlis is strongly against Mr. Damianos.

In the Nome of Samos, Mr. Th. Sofoulis will try to attract the center voters.

In the Nome of Trikala, the candidate of "National Array" in 1977, Mr. A. Papakhristos.

In the Nome of Khandia, Mr. V. Pentaris, parliament member of the EK/ND in 1974.

In the Nome of Rodopi, the parliament member of the EK/ND in 1974, Memet Oglou Giasar.

#### The PASOK Without Any Expansion

To the contrary, the PASOK, since it will follow the "self-governing" course, is rather certain that on 8 September it will not present, if it presents anyone at all, a large number of persons who will be coming from other political factions.

It is evident from the statements of Mr. A. Papandreou to VIMA that "the PASOK, in pioneering the popular movement for Change, is neither attempting nor does it need any kind of 'expansion' in any direction whatsoever. The PASOK is on course unshakingly, in a self-governing fashion and with a crystal clarity in its targets, without any commitments to anyone."

In making another point, Mr. Papandreou added that "the lists of PASOK will include persons who have identified themselves or have gone along with the political and social struggles. If these persons include certain of the so-called titled politicians who joined other parties of the opposition after the dictatorship, this will be considered and judged in each case."

From the meaning of these declarations of Mr. A. Papandreou, one should reach the conclusion that the much rumored for several weeks collaboration between PASOK and the Array of the Center should be considered improbable. The same declarations, however, have a door open in case Mr. G. Mavros would decide definitely to collaborate with PASOK, but not in the form of a coalition between parties. Even especially if it is taken into consideration that the intent of the President of PASOK is to include persons in the Council of State list of candidates "either to have them honored for their democratic services to the land or use them because of their special knowledge in government sectors."

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## ORIGIN, GROWTH OF ANTI-AMERICANISM VIEWED

Amsterdam ELSEVIERS MAGAZINE in Dutch 22 Aug 81 pp 28-33

[Article by Rene de Bok: Anti-Americanism]

[Text] The American dream appears to have been cruelly interrupted. After World War II a generation of Dutch grew up in a spirit of gratitude for the American liberators. But times have changed. In the shadow of revived neutralism and the growing fear of a nuclear explosion of world dimensions the latest Dutch trend no longer characterizes America as the symbol of freedom but as the instigator of an irresponsible cold war policy. Ethical elements of the IKV [Interdenominational League], nuclear pacificists, ultra-progressive social democrats, and some anarchistic socialists dominate the political discussions. ELSEVIER is looking for the source of anti-Americanism in the Netherlands.

Just as in the 60's demonstrators in closed formations now claim the front pages of the newspapers: "Stop the Neutron Bomb", "Stop Reagan", "Stop the Nuclear Arms Race" are the most popular slogans. Just as in the 60's an anti-American sentiment is raising its head. Situations and persons differ; Vietnam is a long forgotten front; insults such as "Johnson Murderer" and "Nixon Murderer" are part of history; today the only chant is "Reagan Murderer". The demonstration near Zadkine's war memorial in the middle of this month went a step further. A theatrical skit evoked a caricature of American assistance to the Netherlands after the war: Americans, they gave us hamburgers, coca cola, rock and roll, they gave us disco and ...freedom and security, and they gave us cruise missiles..." Uncle Sam depicted in his most hideous form. The message is very clear: America is trying to force its cruise missiles and neutron bombs on us, just as it forced its "American way of life" on us. This America is not seen as liberator but as conqueror and oppressor.

Anti-Americanism is emerging in the Netherlands in a society which was until a few years ago still wide open to the hard selling character of American culture. Marshall Plan assistance went hand in hand with a process of Americanization which the dikes of our west coast were unable to keep out: hi fi, video, Big Mac, Wimpy, but also frisbee, disco, Sesame Street, the world of computers, potato chips, Marilyn Monroe, and John Wayne, and not to be forgotten, the jargon of the advertising world, of the modern spirit of the business world shaped after the American model.

No home-grown cultural chauvinism was able to withstand sex, drugs, and rock and roll. However, in addition to cultural influences there was also American domination

in the area of politics. As the founding of NATO created a relationship whereby the Netherlands became dependent on America there also followed identification with the international policies of Big Brother America. "Big Brother is watching you" was the relentless truth of the 50's. Those were the years of an icy cold war, when Senator McCarthy's hunt for communists reached a chilling climax and Europe was also plunged into an ideological split: on one side there was the free West and on the opposite side the countries behind the Iron Curtain.

The Netherlands followed the rules without protest: a critical NATO alliance did not enter into the heads of Dutch politicians whose brains were programmed to support the West. America was the undisputed symbol of freedom and a guarantee for the prosperity boom the equal of which had not yet been seen in the history of mankind. Nevertheless, there were symptoms of an emerging anti-Americanism even in the 50's and to a stronger degree in the beginning of the 60's.

This phenomenon was evoked by the then French president De Gaulle and was based on two elements or, actually, two questions. They sound somewhat as follows: "Is it responsible to let cultural barbarians like the Americans make decisions with serious consequences for the entire population of the world?" The second question is: "How unselfish is the nature of American protection?" De Gaulle chose an independent course because he could not follow America blindly.

This political point of view met with a certain amount of appreciation in the Netherlands, to wit in the social democratic bloc, but also elsewhere. The anti-Americans of the older generation remembered very well America's position in the painful New Guinea controversy: the American lack of interest for the Dutch point of view created a layer of anti-Americanism not to be cleansed by Pepsi. In the early 60's Dutch leftist intellectuals resented America's dominant role on the international political stage. The GROENE AMSTERDAMMER [Green Amsterdammer] vigorously attacked America while pacifists and representatives of communist mini-parties who were hardly taken seriously themselves as it was part of their dogmatic duty to propagate anti-Americanism, watched appreciatively.

Nevertheless, till the middle of the 60's anti-Americanism remained a marginal phenomenon, a dissident viewpoint in the political arena. That situation changed drastically when America became more and more entangled in the Vietnamese adventure. However, the first hard actions were not of Dutch origin. In the GFR the group around Andreas Baader raided American military property including the logistics center for the Vietnamese war in Heidelberg. The Rote Armee Faction [Red Army Faction] went the way of no return.

Dutch protests were of a different nature. Force remained for the time being the exception. In October 1966 the Mobile Unit of the Amsterdam police attacked demonstrators who shouted "Johnson Murderer". That was then still considered an insult to the head of state of a friendly nation; those who shouted it could look forward to fines of several dozen guilders. Nevertheless, the demonstrations were relatively harmless as compared to the actions in recent years to evacuate occupied buildings. On 1 October 1966 demonstrators of the Youth Committee for Peace and Self-Determination for Vietnam were accompanied by six policemen on horseback and two on bicycles on their demonstration route.

Dutch anti-Americanism has its real origin in the Provo movement. Although it did not directly address the Vietnamese war the movement advocated an atmosphere of resistance against established authority. Provo was anti-authority. Because the American government represented authority in a broad range of international politics Provo created an anti-American atmosphere. In the shadows of the protests against the American war effort in Vietnam a lot of things originating in America got a bad name. In Zeeland, Dow Chemical's involvement in the production of napalm was questioned. As the actions became more successful the behavior and the speeches of the demonstrators grew increasingly bolder. During a demonstration in Groningen in March 1967 Professor Delfgaauw unhesitatingly compared the Vietcong with the Dutch underground movement between 1940 and 1945. When three clergymen withdrew from the Groningen meeting because of its anti-American character Delfgaauw said: "We are right because there are American troops in Vietnam, they are not Chinese or Russian...The Americans are also supporting a government consisting of a small group of powerful persons. It becomes therefore impossible for the Vietnamese to solve their internal difficulties democratically." A major commentary in HET PAROOL [The Watchword] delivered a harsh judgement on the Vietnam demonstrations: "Part of the anxiety is real and respectable. But it is also certain that a political call to arms is being organized by characters and organizations who have one thing in common: their anti-Americanism and a perverted preference for communist actions of any kind or shape wherever in the world."

In the second half of the 60's the black and white image of the ideological split underwent a metamorphosis: the image of the free world as opposed to the world of oppression was touched up. After the fiasco of the Vietnamese war the idea of relaxation of tension became also acceptable in America. Under the watchful eyes of the American ally Willy Brandt was allowed to develop for the GFR an Ost Politik [Policy of opening up to the East] with perspectives of a new relationship between East and West and of peaceful coexistence which had for years been rejected as a policy of illusion.

The heydays of detente have in the meantime become history again and it appears that the polarizing black and white image has again become one of the familiar relics of big politics. America's foreign policy does not appear to be capable of subtly weighing its interests and obligations and the Kremlin is hardly superior as far as this goes. The Soviet Union preaches detente behind a facade of beautiful words but in sharp contrast with these words it is building up an awesome arsenal of weapons.

In the Netherlands prewar neutralism is on the rise again. To such an extent that some articles dismiss NATO ally America as an ugly warmonger. In the course of the years the arguments appear to be hardly subject to change. In September 1967 young persons staged a 4-week-long sit-in near the American consulate in Amsterdam. Not everybody could muster the same degree of appreciation for the silent siege by "unkempt punks". When a passer-by reproached a demonstrator by saying: "the Americans liberated us in 1945", he received the following reply: "If yesterday somebody saved a child's life, it does not give him the right to kill 10 children today".

Karel Roskam, foreign commentator of the VARA [Labor Party Radio Network] demonstrated this attitude in his umpteenth diatribe against America by arguing: "Whosoever

saves a child from drowning does not have the right to throw another child into the water." In his commentary Roskam really demolishes the American NATO partner: "Reagan, Haig, and his generals proclaim without blushing that Russia is working towards a nuclear war because Moscow thinks it can survive. In international politics it is sometimes necessary to tell barefaced lies because one realizes that the truth could actually put one to shame. Because the people in Washington are really the ones who believe that with the help of neutron bombs a nuclear war can remain limited and America could stay out of the line of fire. Regan as spokesman of America's political right keeps repeating that the United States must remain stronger than everyone else, to protect democracy and freedom. That takes a lot of money, enormous amounts of money and consequently millions of poor people in the United States are left to starve for the defense of freedom."

In his latest diatribe against America the VARA commentator even said: "It is even a matter of good manners to be anti-American." Here Roskam touches upon the essence of the growing anti-Americanism.

Ethics have become the typical trademark of Dutch actions in the area of international politics. There is that puny Dutch finger again admonishing foreign powers before they resort to hard action, it is famous far beyond our borders. In domestic politics ethical leaders are fighting in the forefront. Former Minister of Defense Vredeling says: "We are a people of theologians. We say: no matter the consequences we want to proclaim loudly what we consider to be the truth, we are the apostles of political testimony. But this is a short-sighted, almost idiotic attitude."

There is no other country where an organization like the IKV has a following as large as in the Netherlands, and there is no country where protestant clergymen and Catholic priests proclaim so frequently their half religious and half political viewpoints as in this country suffering from the dreadful disease "Hollanditis".

It is hardly a wonder that the West German theologian Dorothee Solle has such a large following in the Netherlands. On the latest Kirchen Tag [Day of the Church] in Hamburg the feelings she expressed about our Atlantic ally America were none too friendly: "Why does America need the armaments? To ensure its world domination and its power over raw materials. This armaments race is the biggest imaginable theft from the poor. NATO is our oppressor. We must set ourselves free and that struggle forms part of our fight to liberate the Third World."

Statements of politicians containing elements of preaching and admonishing can always be detected. It seems to be the price we are paying for the warped way in which our political system rid itself of domination by religious parties. The religious political parties saw their support swindle. However, this does not mean that moralists who base their ethical standards on religious principles have left our society or relinquished their claim to a monopoly of good manners. All that happened was that they were spread out over nonreligious parties like the PPR [Political Party of Radicals], PvdA [Labor Party], PSP [Pacifist Socialist Party], or the small leftist parties. Even in the CDA [Christian Democratic Appeal], which emerged after all those troubles, well-known politicians are often busier fighting their own consciences than the every day problems.

It is exactly this accent on ethics which creates a world of difference between the United States and its little ally the Netherlands. While we are always

struggling in the Netherlands with matters of conscience and principle the American government is concentrating on targets in a political environment oriented towards power. The Americans cannot see why the Netherlands is not prepared to fall in step with this search for an equilibrium of power between the political blocs.

In addition to the primary consideration of ethics concerning controversial matters, as the modernization of nuclear arms or the introduction of the neutron bomb, the Dutch attitude is also influenced by an undercurrent of fear and an instinct for self-preservation. This undercurrent also contributes to anti-American feelings which raise their wicked little heads. When American superiority in the world was still uncontested the Netherlands resigned itself to follow the directives the Americans channeled to their partners via NATO. Just like the other partners the Netherlands accepted the protection, which they assumed to be safe, of the American Nuclear umbrella. Only France under De Gaulle missed this confidence in the continuity of America's foreign policy. But when an enormous effort enabled the Soviet Union to catch up and the scales of military power in Central Europe tipped towards the Warsaw Pact, there came a hitch in the cable which tied the NATO countries so firmly to America. Prewar neutralism which had been our first quality tailor-made outfit during the 30's, could again be taken out of the closet. We are also keeping in mind a variation on the gold old Dutch saying: "It is better to have a not too hostile neighbor than a distant friend."

The attitude of reservation towards America received an extra boost when we noticed several times in the recent past that the distant friend has no longer the means of power he possessed so abundantly in the past. The catastrophic rescue operation in the Iranian desert underscored dramatically the impotence of a superpower.

The impotence of the United States in Afghanistan shook our confidence again.

In such a crisis of confidence little is needed to create a bad mood which puts the blame on America for all the big problems. Growing unemployment in Western Europe is partially attributed to failures of the capitalist system. Because America is known to be the champion of a free market economy people are quick to blame it. Progressive circles in the Netherlands are then inclined to immediately reject all the good things America gave us: production by corporations, no government intervention. Those who believe to have the solution are then inclined to consider government intervention as a God-given instrument. Whatever America may suggest is under these circumstances rejected as an example of an inhuman modern way of doing business. The high interest rate in America is then another reason to take a critical look at the American way of doing things. The BRANDPUNT [Focus] inquiry which asked people for their opinion on nuclear weapons showed that a majority do not want modernization of nuclear arms and their stationing on our soil; for America a painful result. The editor of BRANDPUNT considers the result an indication of the severity of the Dutch disease.

Hollanditis is not just seen by Americans as a desire for neutralism and lack of understanding of the unavoidable arms race. They can see other ingredients: exaggerated expectations of the East-West dialogue and detente; lack of resilience and the desire to sustain democracy; political indecisiveness; and finally a lack of willingness to clean up the social paradise which we can no longer afford.

Neutralism is unavoidably accompanied by a growing anti-Americanism. The farther Europe is moving away from America, the more the United States will resort to a

policy of isolationism. The American government is very strict in its dealings with its allies. Whosoever does not pay for his marbles is not allowed to join the game. These American statements cause further irritation, especially in the Netherlands which will have to sacrifice a lot to pay for the defense effort America wants. Mutual feelings of irritability and lack of understanding can lead to bad communications with incalculable risks.

The decision to make the neutron bomb hit the Netherlands like a rock. The reaction is sometimes fatalistic in nature; during the Rotterdam demonstration "Cruise against Cruise Missiles" pins depicting broken rifles were sold. But the Amsterdam demonstration was harder and more vindictive: "The United States is holding 14 and a half million Dutch hostage". A banner read: "Reagan is still alive. That is not my fault. I would not have missed him".

The day may come that Big Brother America will no longer be watching us.

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## DEFENSE PROGRAM COMPROMISE LEAVES MANY IN SPD OPPOSED

## Foreign Minister Hits Opponents

Copenhagen INFORMATION in Danish 24 Aug 81 p 5

[Text] Foreign Minister Kjeld Olesen now wants to turn the debate on the compromise of the defense program toward what he calls "the frenzied armaments race," in which he includes the nuclear missiles which he approved, along with others, at the NATO Council of Ministers in December 1979.

At a summer rally of Social Democrats at Holbaek on Sunday, Kjeld Olesen sneered at certain members of his party for allowing opinion polls to determine their attitudes toward the defense program compromise which had just been adopted. He thought references to the popular desire for economy "pitiful" and criticized the opponents of the compromise for unconsciously throwing obstacles in the way of obtaining Social Democratic influence over "the real and dangerous security-policy problems which exist."

Then he said, "First of all, the compromise means that there will be a reduction of personnel under any circumstances, because we are in the lead in the Western world where wages in proportion to the defense budget are concerned. And there will be a reduction of military materiel, and for that reason no one can venture to say that Denmark is rearming."

"In the second place, it is too bad that people cannot see that the only way to prevent a nuclear war is to have a reasonably credible defense program."

"In the third place, I should like to say that we may quack in the local duckpond as loudly as we please regarding the increase, which is modest when seen as a part of the whole picture, but we are people who want to dedicate our efforts to the much more important problem--that is, to being involved in putting a stop to the frenzied armaments race, whether we are talking about neutron bombs or the new Soviet and Western strategic medium-range missiles."

Kjeld Olesen went on to say, "I think it is a pity that the argument has been used among my own people that a large proportion of the population thinks, according to opinion polls, that we should economize on defense above anything else. I would like to repeat what I have said behind locked doors: if the Social Democratic Party becomes a party which pursues a policy shaped in accordance with the opinion polls,

we will degenerate. Fortunately, that is not so. If we are to influence society, we must be trustworthy. And to be trustworthy we must also have the courage to make decisions which may be unpopular over the short term, whether they are concerned with defense, cultural policy or assistance to developing countries," he said in conclusion.

#### The SID Warns

Kjeld Olesen's remarks were made against the background of broader and broader Social Democratic criticism of the compromise with the nonsocialist parties on defense.

A large number of party organizations have sent expressions of disapproval to the executive committee, which will get together next weekend in anticipation of the annual meeting in Alborg from 4 to 6 September, when the compromise will be debated.

Former Foreign Minister Per Haekkerup's circle in Esbjerg is included among the critics. The government body of that group wrote, in a letter to the Folketing group and the executive committee, that "an increase in expenditures for defense is simply unacceptable." The governing body also definitely opposes the establishment of foreign weapons depots in Denmark.

The SID [Semi-Skilled Workers' Union], which will hold a conference on security policy next month, warns against letting criticism of the defense program compromise develop into a big political sore point at the annual meeting in Alborg. An editorial in the DAGBLADET praises the 14 critics in the Social Democratic Folketing group for having shown the nonsocialist negotiators on defense where the limit of Social Democratic cooperation lies, but at the same time that journal warned the 14 against supporting groups which believe that the party leadership has "suppressed democracy in the party for members of the party."

The journal believes that both the democratic rules of the game and the decision at the party congress to support a credible Danish defense program have been complied with, while at the same time the government attained its primary goal, which was to maintain the broad agreement on defense which has already persisted for 32 years.

"It was a good thing that that goal was attained, even though it cost more than it should have," the journal said. "Moreover, the last few millions of kroner which were included in the compromise guaranteed several thousand old and new jobs, and that should be recorded on the plus side, at least in the trade unions." The journal went on to say, "Thus there are several good reasons why the militant attitude directed against the defense program compromise should be moderated. Perhaps a little of our energy at the annual meeting should be saved for the debate on economic policy, for which the outlook is nearly hopeless, and the economic-policy compromise. It appears to us that the Social Democratic Party must offer a good deal more here than the 2 percent of its policy it lost on the defense program compromise."

## SPD Deputy Chairman Attacks Program

Copenhagen BERLINGSKE TIDENDE in Danish 31 Aug 81 p 2

[Article by "lk": "Knud Heinesen Counterattacks in Party Clash on Defense"]

[Text] "We would quickly be getting close to conditions in the Garden of Eden if the Soviet Union and the United States would adopt the kind of militarism the Danish government has adopted."

That statement was made yesterday by Knud Heinesen, the political deputy chairman of the Social Democratic Party, at a meeting arranged by the party's youth organization, the DSU [Denmark's Social Democratic Youth]. At the meeting, Knud Heinesen was attacked sharply on the score of the defense program compromise the government entered into with the K [Conservative People's Party], the V [Liberal Party], the DC [Democratic Center] and the KrF [Christian People's Party], which means an increase of 369 million kroner in expenditures for defense over a period of 3 years.

The opposition to the defense program compromise at the DSU meeting yesterday and at the meeting of the party's executive committee on Saturday, together with Knud Heinesen's vigorous reaction, is only the prelude to the much more serious clash which can be expected at the party's annual meeting in Aalborg this coming weekend, 5 and 6 September 1981.

"The result of what we have done is that the defense program is being cut back by 735 men and that there will be 2 ships and 13 aircraft fewer. It may be a good thing that people do not feel good about the compromise, but if it is a manifestation of rearmament and militarism you ought to be very happy if the Soviet Union and the United States would adopt the same kind of militarism," Knud Heinesen said yesterday at the big meeting of young Social Democrats. He emphasized the fact that the Danish defense budget is increasing less than the rest of the national budget and that Danish expenditures for defense are as low as those of any other country in proportion to the gross national product. Then he summarized the present Danish defense position as follows: "The present Danish defense program shows that we have a desire to maintain our sovereignty, anyhow. It also shows that we are willing to make a contribution--however modest that contribution may be--to joint defense under NATO."

The DSU closed its meeting yesterday by issuing a sharp protest against the defense program compromise.

## SPD MP's Debate Defense Policy

Copenhagen INFORMATION in Danish 2 Sep 81 p 9

[Article by Bjarke Larsen: "Can You Imagine 'Women for Peace' in the Soviet Union?"]

[Text] When the defense program compromise was on the point of becoming a reality recently, a violent reaction occurred in the Social Democratic Folketing group. At a meeting of the group, 14 Folketing members voted against the compromise because it exceeded the "no-growth" solution the party's congress had recommended as the farthest the government would be willing to go.

After the compromise had become a reality, the debate continued with ever-greater intensity in Social Democratic circles. The differences of opinion will culminate at the party's annual meeting this weekend, 5 and 6 September 1981, when one of the most important points will be examination of the foreign-policy section of the party's work program.

INFORMATION talked with two Social Democratic Folketing members for the purpose of thoroughly examining the question of where the dividing line in the party runs on the question of security policy.

The two were Jytte Hilden, who told the party that she would vote against the compromise when it came to a vote in the Folketing, and Knud Damgaard, a commissioner in the Home Guard, who said in the press that its opponents had not understood the implications of the compromise.

INFORMATION said to Knud Damgaard, "You have said that the defense program compromise 'actually is a no-growth solution of the problem, but on a slightly higher level.' What did you mean by that?"

Damgaard replied, "I said that because the compromise does not give more to the defense program. Instead, defense has to cut back in many areas. There are not going to be any increases, and the extra money received is far from being enough if we are to keep the same military strength, which is our goal at present. Furthermore, part of the extra appropriations--specifically, for Hawk missiles--are merely a matter of moving an expenditure which was budgeted for 1985 forward 2 years to 1983."

Jytte Hilden said, "Although, seen from a technical point of view, the compromise perhaps involves a few reductions, an expansion of activities supported by the budget is nevertheless being carried out at a time when the economy is very constricted.

"That is why the compromise exceeds a 'no-growth' solution of the problem, and I think it will be very hard for the population to understand that, for the Social Democratic Party has insisted all along that we would maintain a credible defense budget with an unaltered budget."

#### We Must Be Credible

"But it also seems to me that we should look at the compromise in an international context, seeing what is going on around us. It is important that someone should say 'stop' to the enormous expenditures that are being made in this world in the military sector. I am definitely not saying that Denmark is rearming, for I don't mean that, but as members of NATO we are regarded as one component of that organization. For that reason it would be important if we could say to the surrounding world: 'Stop! The limit has been reached! We don't want any more rearmament,'" she said.

Knud Damgaard said, "Something of the greatest importance at the present moment is to put a stop to the unrestrained armament with nuclear weapons, but if, as a small NATO country, we want to exercise influence on disarmament negotiations, we will have to have a credible basis for doing so.

"If we think it is essential to start a dialogue concerning the stopping of nuclear armament, it will make a bad impression on the countries we might influence if we vigorously cut back the forces which gain an increasing amount of importance in a balance of power on a lower level. If the compromise can give us a more credible voice, the money will have been well spent."

"Is it of any significance for our credibility that an extra 135 million kroner were added to a defense budget of 8 billion kroner on the last day?" he was asked. "Is it that last amount which constitutes the difference between being credible and not being credible?"

Knud Damgaard said, "The cutbacks which, as a matter of common knowledge, are taking place with regard to Denmark's defense program are now reduced, and that does play a role. And the fact that we show we want a broad defense program compromise with broad popular backing also plays a role."

"Still another thing is the fact that the whole discussion regarding the number of millions of kroner needed for a credible defense program has shown that the generals' portion of the discussion was unworthy of credence."

"The Headquarters of the Armed Forces has told us that now they cannot defend this and now they cannot defend that, and now Sjaelland will fall if they do not get at least 3 percent extra every year for at least 4 years."

"So we conclude a defense program compromise with, on balance, a small 2 percent increase over 3 years, and then the military leaders say that now the defense program actually has become credible. I cannot bring myself to vote for that."

Damgaard said, "I agree that in the future we cannot allow proposals by the headquarters of the armed forces to be the deciding factor where what is evolved politically is concerned."

"In military systems--and not just the Danish one--there is a tendency to act in compliance with habits and traditions up to a line of demarcation which we probably cannot accept in the future. There has to be some political initiative taken--an initiative in which one starts with a thoroughgoing debate regarding the structure the defense program is to have in the future--for the fact is that the defense program compromise has not solved that problem."

#### The Priority of the Home Guard Should Be Raised

Jytte Hilden said, "The debate regarding structure is also one of the most important things for me, but, in contrast with you, I think that a 'no-growth' solution will have forced even the military leaders to come forward with some realistic proposals in that area to a greater extent than formerly--proposals which we can assess politically, along with other information--information from peace research workers, for example."

"For me, questions regarding kroner and ore are not the decisive ones over the long run," she said. "I would be quite willing to use more than the 8 billion kroner a year if I knew that it was being spent for the right sort of defense program. And the right sort of a defense program for me is a program which attaches a great deal

more importance to the Home Guard and Civil Defense. On the whole, we need more analyses of society's vulnerability, against which we must concentrate our efforts."

Knud Damgaard said, "One of the consequences of the compromise must be a Social Democratic committee which could make a proposal on structure and analyze what is actually happening on the technological front. So much is happening there that we can make plenty of investment mistakes if we do not create such an analysis group."

Jytte Hilden said, "That is only one aspect of the problem. We also have to ask the basic questions, 'what is it we want to defend?' and 'what do we want to defend ourselves against?'"

"The threatening images which are unfolded for us are very primitive by comparison with the threats with which I think we are confronted.

"Nuclear armament must and shall be brought to a stop, and therefore, there must and shall be progress in the negotiations concerning disarmament with respect to the missiles with which Europe is studded, both in the East and in the West. That can only happen when the great powers are compelled to go to the negotiating table. But we can and shall do something ourselves," she said.

Knud Damgaard said, "Our noblest goal is to prevent war, and as long as we have had NATO and the Warsaw Pact we have had a balanced situation which made war impossible."

#### Detente Is Not Enough

"The many defects are an admission of the fact that if, on the basis of the existing balance, we attain detente, detente has no meaning in itself. It only has meaning if it is used as a bridgehead for gaining peace, initiating dialogues and conducting negotiations regarding the elimination of the types of weapons which are primarily felt to be the most terrible," Damgaard said.

"And I believe implicitly," he said, "that we are in a better position in international gatherings and negotiations since this compromise was reached. We have gained greater credibility and a better chance of being heard when we call for a continuation of the policy of detente."

Jytte Hilden said, "It always sounds very fine when we say balance, detente and peace, but what is the situation in the real world? The situation is that the President of the United States, Mr Reagan, has said that when we get to 1990 the United States will really be able to negotiate from a position of strength, and that is to be understood to mean that for the next 10 years we will be increasing the scale of the armaments race, and then we will possibly be able to cut back a little bit afterwards.

"We must begin a process of getting rid of the military and not just talk about disarmament. In that connection, I perceive a fantastic amount of strength in the popular movements which now are growing up everywhere. Indeed, it is not an accident that that is happening in many countries. Among other things, it is happening because all these things are now being discussed like a question about any other subject and they are being discussed more than amounts of gunpowder and numbers of cannons are being counted.

"I also see something encouraging in the fact that women are beginning to get involved in the debate, which up to now has been the exclusive province of experts and particularly earnest men who are said to be knowledgeable about security.

"We must appeal to the population and create a broadly-based movement and popular opinion," she said. "That is the only way we can bring pressure to bear on the negotiators at the big, shiny desks to negotiate with the real world situation in mind."

#### Women in the Soviet Union

Knud Damgaard said, "If pressure is to be brought to bear on the men at the glossy desks, there must necessarily also be women in the eastern part of the world who can express their opinions freely, but a really spontaneous women's movement like 'Women for Peace', in my opinion, is unthinkable in the Soviet Union."

Jytte Hilden said, "Look at what is happening in Poland. There actually is enormous strength in Solidarity. It is such a big movement that the Soviet Union has not intervened militarily up until now."

Knud Damgaard said, "One of the reasons the Soviets have not intervened is probably fear that the Polish army will fight against them."

Jytte Hilden said, "It certainly will not be possible to crush a popular mobilization such as is going on in Poland. In fact, they would almost have to put tanks into every individual home."

"Is it also true of Denmark that the best guarantee against an occupation of the country is the certainty that the occupation never would be effective because of popular resistance?" they were asked.

Jytte Hilden replied, "Quite so, and so we come back to the whole debate on the structure of the defense program, but at the same time I must say that one of the biggest threats to democracy is the terrible unemployment situation--and especially unemployment among young people. But our security also depends upon having the right social and energy policies."

Knud Damgaard said, "If the Western world does not change course quickly and reduce the amount of unemployment, we will be faced with something that quickly can become a violent movement with Nazi and fascist overtones. That is something that can constitute a serious threat to Europe in the 1980's."

#### Unemployment and Neofascism

Jytte Hilden said, "Just for that reason, we should not put any more money into the Danish defense budget. The grip the military-industrial complex has on production is one of the things which are helping to dislocate the world's economy, increase global unemployment and hamper development in the Third World."

Knud Damgaard said "The world's economy is much more comprehensive than just what is connected with the NATO countries. We are very much in favor of an altered economic world order and must try to get the United States to cooperate in bringing about such a change.

"But where the present unemployment figures and the danger of violent and neofascist movements are concerned, it is not the 369 million kroner which are the decisive factor."

"Doesn't it result in greater discontentment when the people can see that defense is the only sector which gets more money while all the others are being cut back?" they were asked.

Knud Damgaard replied, "During the last 10 or 15 years, defense's share of the state budget has declined while all the others have risen."

Jytte Hilden said, "For one thing, the simple fact is that we are giving them more money this time, and, for another, one should not fail to appreciate the psychological effect. The defense program compromise can easily be regarded as an acceptance of the view that more weapons give greater security."

#### Depots More Important Than Money

"When should Denmark accept reinforcements from NATO--in a critical situation, or not until after war has broken out?" they were asked.

Knud Damgaard replied, "I have visited the brigade in England which perhaps is the one that is to be sent to Denmark as a NATO reinforcement during a conflict. They said, quite explicitly, to me, 'If we are to be landed in Esbjerg, we don't want to have our young Englishmen killed because you sent for us too late.'"

"Naturally, it will be up to us Danes to decide when we want to have troops as reinforcements, but as a NATO representative I perhaps perceive more nuances in this than does Jytte.

"As one of those who lived through an occupation, I don't care to have my grandchildren having to go through the same thing I experienced. Therefore I am glad that we belong to an alliance which, if occasion should arise, will send the needed reinforcements. But deciding when to send for those reinforcements is up to the Danes."

Jytte Hilden said, "In a crisis, we will be under very heavy pressure to accept assistance from NATO early, and therefore I think that we should say in advance that we do not want foreign troops in Denmark in a critical situation--we only want them in case of war.

"I am afraid that the stage is set for making changes in the policy we have in respect to NATO on reinforcements and depots, so that the depots will perhaps be the same thing as unmanned bases and we will say 'yes' to accepting troops even in a period of tension.

"I do not want any change in the policy we have now. The essential thing for me is for the Danes themselves to be able to make decisions regarding their country--even though they are members of an alliance. The question of reinforcements and NATO depots is more important to me than a few million more kroner given to the military," she said.

## Officer Says Program Inadequate

Copenhagen BERLINGSKE TIDENDE in Danish 2 Sep 81 p 13

[Article by Maj Poul E. Gustafsson: "Appalling Defense Program Comromise"]

[Text] The defense program compromise got a mixed reception from the political parties. Dissatisfaction was expressed most strongly by the Social Democratic Party, and it undoubtedly will occupy a prominent position at the party's annual congress.

Satisfaction is somewhat restrained in the nonsocialist parties. Politicians express satisfaction over the fact that 32 years of unbroken cooperation with the Social Democratic Party on defense can continue, so the contents of the compromise can recede into the background, but the annual and national congresses of the nonsocialist parties are also close at hand.

It is understandable that those who are sympathetic toward the defense program and have understood the contents and scope of the compromise can express dissatisfaction and hopelessness. On the other hand, it is incomprehensible how people within the Social Democratic Party can express such great indignation. They actually got the "no-growth" solution upon which the party had insisted firmly during a year and a half of negotiation.

Of course, the compromise produced a rather small annual increase in the three years of the compromise, but, on the other hand, the elements of the framework on which the "no-growth" solution is built, both on the personnel side and the materiel side, were sharply reduced in the course of the negotiations. That is primarily due to the fact that, in 1979, when the material for the "Commander in Chief of the Armed Forces' proposal for a system of defense after 1 April 1981" was prepared, the possibilities of the economic framework, on both the operational and the procurement sides, were overestimated. In addition, the long process of negotiation and the great instability undoubtedly resulted in taking inappropriate measures.

It can be very difficult for citizens who have gotten their information from the press, the radio and television to understand what the compromise is all about because the information here is chiefly concerned with the economy and not so much with the substance--what one gets for his money.

The first impression one gets when one reads the compromise agreement is that it is acceptable, but when one compares the compromise with the defense situation at present and the steps in the form of a reduction of personnel, etc., which it has been necessary to take during the long negotiation process, it is an appallingly bad compromise.

On the economic side, one can interpret the amount being provided in various ways. One can say that the defense program is getting 369 million kroner over a period of 3 years. One can also say that in 1982 there will be an increment of 84 million kroner, corresponding to a 1 percent increase. In 1983 there will be an increment of 37 million kroner, corresponding to an increase of 0.5 percent, and in 1984 there will be an increment of 43 million kroner, corresponding to an increase of 0.5 percent.

The official figures will be as follows:

1982: 8.056 billion + 84 million = 8.140 billion kroner

1983: 8.140 billion + 37 million = 8.177 billion kroner

1984: 8.177 billion + 43 million = 8.220 billion kroner

Wage and price adjustments will be added to that.

In the previous draft to be the subject of negotiation, an annual increase of either 1.5 or 3 percent--leaving interest rates out of consideration--was mentioned. There, when they were dealing with a 1.5 percent solution, they chose to include the increases from the previous year and the year before that when discussing the yearly rise--people should just try to do that when they are negotiating wages.

Where personnel strength is concerned, the compromise agreement is reported as if an expansion of the present personnel strength were going to take place. It is stated in the agreement that there will be an increase of 200 men doing compulsory military service in 1982 and an additional 400 men in 1983. Furthermore, it is stated in the agreement that there will be an increase in personnel of approximately 1,170 men through 1985.

The actual situation is that they have reduced, and still are in the process of reducing, personnel strength. According to the 1981 budget, the personnel strength of the armed forces should be 44,070 people, including civilian employees. Of these, the number of people doing compulsory military service and of privates undergoing training has been set at 11,889.

The strength of the armed forces as of May 1981 was approximately 42,000, including about 9,800 civilians. There were approximately 9,000 draftees and privates undergoing training. Approximately 9,000 draftees were called into the army in 1981, and about 900 of them were called in for special beneficial duties, which reveals that they will not go into operational, or actual military, units. Incidentally, some of the draftees are only in for a period of 6 weeks. Fewer inductions are also being made into the navy and the air force, which primarily rely on permanent personnel. Approximately 8 percent of the inductees do not show up, and there is a large percentage of drop-outs during the first few months of training. In 1980, the rate was 13.8 percent and a single regiment was up to about 35 percent where discharges or rejections during recruit training were concerned. During the negotiating period, measures to reduce the strength by approximately 4,000 men were effected.

The compromise is based on a reduced personnel strength, as in the zero-growth solution, which fixes the combined military and civilian personnel strength at 38,400 men. That figure should be compared to the figure in the 1981 budget, which is 44,070 men. In that connection, it can be pointed out that the compromise also is based on the defense agreement of 1969, when personnel strength was 67,700 men. Thus it is utter nonsense to tell the citizens that the strength of the armed forces is being increased by 1,170 men. Enormous reductions have taken place during the defense agreement now in force, and particularly while the negotiations were going on. Where materiel is concerned, they also have given the impression that an increase is taking place. The actual situation is that not even the conditions included in the zero-growth solution can be satisfied.

They are hiring two Hawk squadrons in the United States, and Nike squadrons are being relinquished to compensate for them. Four motor torpedo boats are being renovated; if that is not done, there are plans to phase them out. What is interesting in that connection is the fact that that work is to take place at civilian shipyards. It is a very good thing for the shipyards to get some work, but it is incomprehensible that that work cannot take place at the Naval Dockyard, where the personnel strength is approximately 1,200 men. The royal yacht, which is one of the naval defense organization's ships, has also just undergone a rather extensive conversion process at the Helsingør Værft costing 40 million kroner. For those who have read the report on the Naval Dockyard's efficiency it is entirely incomprehensible that it was not given that job.

There is no money for the procurement of material which is urgently needed and which is included in the zero-growth solution.

It is becoming very difficult for the commander in chief of the armed forces to correlate the budgets for the coming year.

What will the armed forces look like when the period of compromise comes to an end in 1984? There is only one way to obtain a reasonable result from the political framework provided, and that is to initiate a thoroughgoing change in structure. Incidentally, that is what happens in the business community when a company has trouble surviving. They try to provide new capital, reorient production and reorganize the organization, putting the emphasis on the production apparatus itself (combat units). And then one thing more--but one absolutely cannot do that within the framework of government activities. A group of 11 politicians from the five parties to the compromise is appointed for the purpose of checking on how the defense program compromise is carried out. It will be interesting to see the results. They also had a contact group of that kind during the period from 1973 to 1977, and we saw what the result was.

In the recently-established organization called the Defense Group Cutting Across Party Lines, which consists of people from the four nonsocialist parties, the Liberal Party, the Conservative People's Party, the Democratic Center and the Christian People's Party, who are sympathetic to the defense program, we will continue to work on defense matters. We will analyze the compromise agreement and the defense situation and prepare for the drawing up of a new defense agreement.

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## CIVIL DEFENSE PROGRAM PROGRESSING SLOWLY

Hamburg DER SPIEGEL in German 21 Sep 81 pp258-259

[Text] In interior minister Gerhart Baum's eyes, protecting the population in the event of war has lately become one of the mainstays of overall defense policy. "Only if civil defense is included," Baum says, "is there a guarantee that deterrence can be fully effective."

"We cannot prevent catastrophes of whatever kind from happening," Baum recently wrote in the preface to a civil defense primer. "But we can do a lot to prepare for such eventualities and to hold down the consequences as much as possible."

There is much to be done; let us wait and see. This, by and large, was the maxim which guided the actions of those responsible for civil defense in Bonn until not too long ago. Thus far, there are shelters for only 3 percent of the West German population and hospital beds for only one percent.

In the past, the politicians apparently thought there was little chance of protecting the civilian population from the terrible effects of modern nuclear and poison gas warfare. But this is changing now that the Germans no longer quite trust the long peace in Central Europe.

Everywhere in the FRG, forces are now at work that are planning and propagating civil defense measures.

Acting on behalf of the interior ministry, the "federal association for self-protection" is putting out pamphlets and flyers arguing for private, voluntary measures such as construction of bunkers with tax benefits, proper stockpiling or for the "properly protected house" complete with anti-radiation devices, black-out provisions and a water reservoir for fire fighting.

The "federal school for protection against disasters" at Ahrweiler is conducting seminars for physicians and medical officials to familiarize them with medical problems "in the event of war" such as the treatment of civilian war victims contaminated by radiation and/or chemical and bacteriological weapons.

At the federal health ministry, a "law for guaranteeing health" is being drafted that will lay down the rules for medical care in the event of "internal" or "external" emergencies. The law, which the federal medical association and physicians' organizations such as the "Hartmannbund" have been calling for for some time, is to provide a roster of all persons involved in health care and to enlist physicians in an education program on "disaster medicine" as well as in a systematic mobilization effort in the event of war.

Firms like Draude & Edison KG in Wuppertal or the Universal GmbH in Kassel are offering prefabricated bunkers to private and public builders which feature complete interior appointments and are suited for lengthy occupancy. According to the advertisements, these mostly spherical shelters, equipped with "quartz sand filters," offer complete protection "against fallout from ABC weapons" and may be further shielded by a "neutron bell," newly developed by Draude & Edison.

But all these attempts to get an administrative and technical handle on the apocalypse are running into skepticism among the population for the time being. "Reasonable people," a study by the "school for protection against disasters" concludes, are loath "to think about pathogenic and epidemic agents as weapons of war." The inability to think in terms such as these appears to make people careless.

Nonetheless, the study goes on to say, "most recent developments" in weapons technology clearly indicate "that the choice of weapons to be used in decisive confrontations is no longer limited by legal or moral considerations."

Thus, those that are to protect us from disaster are faced with the dual dilemma of having to convince us of the horrors of modern war as well as of the supposed effectiveness of protective measures. Their announcements and advisories often contain traces of black humor as a consequence, such as the slogan propagated by IBK, a bunker builder from Goslar: "turn your shelter into a cellar for colorful parties."

Just as grotesque are some of the things the "federal association for self-protection" has to say on putting together a "provisions packet." Anyone following the instructions will survive a nuclear attack in his "house shelter" complete with transistor radio and chemical toilet, wrapped in aluminum "survival foil," surrounded

by canned goods, candles and camping stoves with his "document portfolio" containing his "savings books, insurance policies and retirement, pension and income certifications" right by his side.

The pamphlet points out that the survivors might have to remain inside these cramped shelters for weeks, there hardly being any hope of help from the outside. And the authors leave the survivors in the dark as to what awaits them when they come out into the open after the nuclear attack-- will it be an irradiated, desolate and depopulated wasteland with poisoned plants and streams ?

They call such ideas "unrealistic," pointing out that the radioactive contamination of entire regions could "not by rights be the enemy's goal." For that reason, it would be more to the point to think in terms of two-week Blitzkriegs at most with a very few nuclear strikes which are survivable at home in the shelter provided sufficient care is taken.

But even the civil defense advocates themselves are not so sure that those in the shelters would come through nuclear attacks in so disciplined a fashion. In a single issue of the Munich Medical Weekly, devoted in its entirety to disaster medical care, the experts deal with striking intensity with panic reactions that might occur among the population at the onset of nuclear war.

It is conceivable, Hamburg military psychiatrist Rudolph Brickenstein states, that not only disaster victims but "physicians, medical aides and rescue parties" might suffer psychological disorientation "under the impact of catastrophe." Based on previous experience, such mass reactions usually start with individual "panic persons" acting wildly. Such persons are to "immediately isolated;" the proper "treatment" being "immobilization by chemical means, if available."

There has been unexpectedly strong resistance to such disaster relief measures within the ranks of the West German medical profession which recently went public as for example at the congress scheduled for last weekend at the main auditorium of Hamburg university. After a nuclear attack, the physicians state, they will not be able to fulfill their humanitarian mission.

The Hiroshima experience shows what the victims of war in the nuclear age may expect. Of 150 doctors available at site, 65 were killed immediately. Of some 1800 nurses, only 100 were still able to perform their duties after the bomb dropped.

Of the 30 doctors assigned to the largest hospital in the city, a mere six were able to discharge their duties-- and they had to care for some 10,000 seriously injured patients immediately after the catastrophe.

## CHERBOURG DCAN SHIPYARD PRODUCING ATTACK SUBMARINES

Paris L'USINE NOUVELLE in French 10 Sep 81 p 55

[Article by Antoine Thiboumery: "Submarines: Contracts in the 'Saphir's' Wake"]

[Text] Defense Minister Charles Hernu presided over the launching of the second nuclear-powered attack submarine, the "Saphir," at Cherbourg on 1 September. In so doing, Hernu wished primarily to reassure all those who had misgivings about the part France intends to play in the nuclear submarine field in the future.

The nuclear attack submarine (SNA) naval program covers a series of five such ships. The last to join the fleet will be launched in approximately early 1988.

This program is expected to entail a total capital expenditure of 5.5 billion francs (1981 estimate). Furthermore, France could have a fleet of some 10 SNA's by the year 2000. The estimated cost of each SNA is some 900 million francs, not including its weaponry and spare parts. Smaller in size--72.1 meters long--but with greater speed--25 knots submerged--than the missile-launching nuclear submarines (SNLE's), the SNA's reportedly cost five times less to build than their elders.

Built by the Directorate for Naval Weapons and Shipbuilding (DCAN) of Cherbourg, a Ministry of Defense industrial facility, the SNA's as well as the two SNLE's still to be built are expected to keep the Cherbourg Navy Yard busy until the early 1990's. This should be comforting news for the yards's 4,200 employees--3,850 workers, 250 managerial and supervisory personnel, and 100 naval architects and engineer officers--plus the 5,000 persons employed by local firms that annually receive DCAN subcontracts totaling some 150 million francs. This clearly indicates that the Cherbourg Navy Yard has considerable impact on the region's industrial activity.

To the above employment figures must be added DCAN's annual expenditure of 350 million francs for procurement of equipment and material required for the construction of submarines and maintenance of ships based at Cherbourg. Some of this equipment is very often highly sophisticated and produced not solely by local firms but also by other firms throughout France.

Lastly, the Cherbourg Navy Yard's modernization plan--purchase of machinery, tooling, test stands, etc.--on which a total of 100 million francs was expended in 1980, is to be increased 10 percent next year. This modernization program covers particularly the machine shops--36 million francs--electronics shops--35 million

francs--and electrical shops--23 million francs--plus the two dry docks on which the yard has decided to spend 81 million francs to shelter them against inclement weather and also give them the capability of refitting the SNLE's currently in service.

But that is not all. The yard, which was established in 1803 and still has numerous antiquated buildings, is planning to "rejuvenate" its facilities for the construction of submarine hulls--sheet-metal shop and prefabricated sections shop--and also its slipways.

It is obvious that Cherbourg, the submarine capital (86 have been built by DCAN to date), firmly intends to conserve and even further enhance everything that has built its reputation.

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GENERAL

CYPRUS

BRIEFS

ITALIAN SUPPORT--Rome--Italy assured the Cypriot government yesterday that it would support the United Nations mediation effort to resolve the dispute over the divided island. Italy attaches the greatest importance to solving the Cyprus problem, for stability in the Mediterranean, for the effect that it has on Greek-Turkish relations, and for the strengthening of NATO, Italian Foreign Minister Emilio Colombo told reporters after a one-hour meeting with his Cypriot counterpart Nicos Rolandis. Rolandis flew into Rome in search of Italian support for settling problems created by Turkey's invasion and occupation of nearly half of Cyprus in 1974. Colombo said Italy would act together with its partners in the European Economic Community to help resolve the Cyprus issue. Italy also supports the renewal of a financial pact between the EEC and Cyprus scheduled to expire in 1983, Colombo said. [Excerpt] [Nicosia THE CYPRUS WEEKLY in English 11-17 Sep 81 p 1]

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